

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. DALLINGER: Committee on Education. H. R. 10604. A bill to amend section 8 of an act entitled "An act to incorporate the Howard University in the District of Columbia," approved March 2, 1867; without amendment (Rept. No. 1258). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOORES of Indiana: Committee on Foreign Affairs. S. 2506. An act authorizing an appropriation for the payment of claims arising out of the occupation of Vera Cruz, Mexico, by American forces in 1914; without amendment (Rept. No. 1261). Referred to the Committee of the Whole House on the state of the Union.

Mr. WINSLOW: Committee on Interstate and Foreign Commerce. S. 76. An act to create a bureau of aeronautics in the Department of Commerce, to encourage and regulate the operation of civil aircraft in commerce, and for other purposes; with an amendment (Rept. No. 1262). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LOWRY: Committee on War Claims. H. R. 11009. A bill for the relief of James M. Connor; without amendment (Rept. No. 1259). Referred to the Committee of the Whole House.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 10535. A bill authorizing the Secretary of War to convey to the Federal Land Bank, of Baltimore, Md., the tract of land situated in the city of San Juan, island of Porto Rico; with amendments (Rept. No. 1260). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ELLIOTT: A bill (H. R. 11791) to provide for the construction of certain public buildings, and for other purposes; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 11792) to increase the pension of those who have lost limbs or have been totally disabled in the same, or have become totally blind, in the military or naval service of the United States during the Civil War; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Michigan: A bill (H. R. 11793) to amend section 5 of an act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914; to the Committee on Interstate and Foreign Commerce.

By Mr. DYER: A bill (H. R. 11794) extending the limitations of time upon the issuance of medals of honor, distinguished-service crosses, and distinguished-service medals; to the Committee on Military Affairs.

By Mr. O'CONNOR of Louisiana: A bill (H. R. 11795) to create a waterways and water resources commission; to the Committee on Flood Control.

By Mr. HOLADAY: A bill (H. R. 11796) to provide for the deportation of certain aliens, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. WHITE of Maine: A bill (H. R. 11797) authorizing the reorganization and consolidation of the bureau, offices, and other branches of the public service, including the Department of Commerce, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. SMITH: A bill (H. R. 11798) to pension soldiers who were in the military service of the United States during the period of Indian wars, campaigns, and disturbances, and the widows, minors, and helpless children of such soldiers, and to increase the pensions of Indian war survivors and widows; to the Committee on Pensions.

By Mr. LUCE: A bill (H. R. 11799) to secure a replica of the Houdon bust of Washington for lodgment in the Pan American Building; to the Committee on the Library.

By Mr. ACKERMAN: Resolution (H. Res. 409) providing additional compensation to the special employee under the Door-keeper of the House; to the Committee on Accounts.

By Mr. THOMAS of Oklahoma: Memorial of the Senate of the State of Oklahoma urging Congress to pass S. 33, relating to retirement of disabled emergency Army officers; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 11800) granting an increase of pension to Mary A. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11801) granting an increase of pension to Mary M. Maloney; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 11802) granting an increase of pension to Anna M. Myers; to the Committee on Pensions.

By Mr. DRIVER: A bill (H. R. 11803) granting an increase of pension to Nancy McKinzie; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 11804) granting a pension to Ida May Hassler; to the Committee on Pensions.

By Mr. GIBSON: A bill (H. R. 11805) granting an increase of pension to Louise M. Prouty; to the Committee on Invalid Pensions.

By Mr. HICKEY: A bill (H. R. 11806) for the relief of Thomas N. Swearingen; to the Committee on Military Affairs.

By Mr. HOWARD of Oklahoma: A bill (H. R. 11807) for the relief of L. A. O'Brien; to the Committee on Claims.

By Mr. MANLOVE: A bill (H. R. 11808) granting a pension to Alpha M. Jackson; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 11809) for the relief of Lillie M. Watson; to the Committee on Claims.

By Mr. REED of New York: A bill (H. R. 11810) granting an increase of pension to Margaretta E. Mower; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11811) granting an increase of pension to Lucinda Dye; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 11812) granting an increase of pension to Eva B. Lynch; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 11813) for the relief of J. V. Crain; to the Committee on Claims.

By Mr. WATSON: A bill (H. R. 11814) granting an increase of pension to Annie Tibbils; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3494. By the SPEAKER (by request): Petition of citizens of Porto Rico, urging Congress to approve legislation providing for the election of governor in Porto Rico; to the Committee on Insular Affairs.

3495. By Mr. COOK: Petition of Federated Council of Clubs, of Logansport, Ind., in relation to participation in World Court; to the Committee on Foreign Affairs.

3496. By Mr. EVANS of Iowa: Petition of citizens of Osceola, Iowa, opposing the enactment of Senate bill 3218, compulsory Sunday observance bill; to the Committee on the District of Columbia.

3497. By Mr. GALLIVAN: Petition of F. L. Dunne & Co., Boston, Mass., indorsing Postmaster General's recommendation for increase in all classes of mail excepting first class; to the Committee on the Post Office and Post Roads.

3498. By Mr. SITES: Papers to accompany House bill 11782, granting a pension to Frank L. Rider; to the Committee on Invalid Pensions.

3499. By Mr. SPEAKS: Papers to accompany House bill 11785, granting an increase of pension to Jane Leist; to the Committee on Invalid Pensions.

3500. By Mr. WYANT: Petition of Chamber of Commerce of Pittsburgh, Pa., relative to the Gooding bill, S. 2327; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, January 21, 1925

(Legislative day of Tuesday, January 20, 1925)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House insisted upon its amendment to the bill (S. 2357) for the relief of the Pacific Commissary Co., disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STRONG of Kansas, Mr. WILLIAMS of Michigan, and Mr. O'BRIEN were appointed managers on the part of the House at the conference.

## ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 10467) granting the consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a bridge across the Ohio River between the city of Huntington, W. Va., and a point opposite in the State of Ohio, and it was thereupon signed by the President pro tempore.

## CALL OF THE ROLL

The PRESIDENT pro tempore. The Senate resumes the consideration of the naval appropriation bill, and the question is on the amendment proposed by the Senator from Washington [Mr. DILL].

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Bayard	Ferris	McKellar	Sheppard
Bingham	Fess	McKinley	Shields
Borah	Fletcher	McLean	Shipstead
Brookhart	Frazier	McNary	Shortridge
Broussard	Gooding	Mayfield	Simmons
Bruce	Greene	Metcalf	Smith
Bursum	Hale	Moses	Smoot
Butler	Harrell	Neely	Spencer
Cameron	Harris	Norbeck	Swanson
Capper	Harrison	Norris	Wadsworth
Caraway	Heflin	Oddie	Walsh, Mass.
Copeland	Howell	Overman	Walsh, Mont.
Couzens	Johnson, Calif.	Pepper	Warren
Cummins	Jones, Wash.	Phipps	Watson
Curtis	Kendrick	Ralston	Weller
Dial	Keyes	Ransdell	Wheeler
Dill	King	Reed, Mo.	Willis
Fernald	McCormick	Reed, Pa.	

Mr. FLETCHER. I desire to announce that my colleague [Mr. TRAMMELL] is unavoidably absent. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Seventy-one Senators have answered on the roll call. There is a quorum present.

## PETITION AND MEMORIAL

Mr. WILLIS presented a petition of members of the Ohio Wesleyan University and sundry other citizens of Delaware, in the State of Ohio, praying for the adhesion of the United States to the World Court under the terms of the so-called Harding-Hughes plan, which was referred to the Committee on Foreign Relations.

Mr. SHORTRIDGE presented resolutions of the Kern County Labor Council and the Building Trades Council, of Alameda County, both in the State of California, protesting against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

## PAYMENT OF REPARATIONS BY GERMANY

Mr. JOHNSON of California. Mr. President, I have a formal resolution of inquiry from the Foreign Relations Committee concerning which I apprehend there will be no opposition or objection. I ask unanimous consent that I may submit the report and that it may receive present consideration.

The PRESIDENT pro tempore. Is there objection?

Mr. HALE. Do I understand the Senator to say there will be no debate upon the resolution?

Mr. JOHNSON of California. None, I understand.

Mr. SMOOT. Let it be read.

The resolution (S. Res. 301) submitted by Mr. JOHNSON of California on the 17th instant was read, as follows:

*Resolved*, That the Secretary of State be, and is hereby, requested, if not incompatible with the public interest, to transmit to the Senate copy of the agreement signed by Messrs. Kellogg, Herrick, and Logan during the past week at the conference of the allied and associate powers in the World War relating to the Dawes plan and the payment of reparations by Germany.

Mr. JOHNSON of California. I report the resolution from the Committee on Foreign Relations with amendments and ask for its present consideration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. SMOOT. Let the amendments be stated before consent is given.

The PRESIDENT pro tempore. The amendments will be stated.

The READING CLERK. In the last line of the resolution, after the word "Germany" and before the period, insert "together

with such information respecting the circumstances surrounding the negotiation and execution of the agreement as may be relevant to a full understanding of its terms"; and also in line 4, after the name "Logan," strike out the words "during the past week."

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendments were agreed to.

The resolution as amended was agreed to.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 4018) granting an increase of pension to Dina Schmidt (with accompanying papers); to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 4019) granting an increase of pension to Catherine E. Mauts; to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 4020) to amend section 4445, title 52, of the Revised Statutes of the United States, as amended by an act approved March 23, 1900, relating to the licensing of officers of steam vessels; to the Committee on Commerce.

By Mr. SWANSON:

A bill (S. 4021) to amend and reenact section 111 of the Judicial Code (36 Stats. L. p. 1127) as amended by the act of June 13, 1918 (40 Stats. L. p. 605), and amended by the act of April 30, 1924 (43 Stats. L. p. 114); to the Committee on the Judiciary.

By Mr. SHORTRIDGE:

A bill (S. 4022) granting a pension to Elizabeth Gaylord Smith; and

A bill (S. 4023) granting a pension to Mary Ellen Gaylord Moss; to the Committee on Pensions.

A bill (S. 4024) to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the admission of the State of California into the Union; to the Committee on Banking and Currency.

By Mr. ODDIE:

A bill (S. 4025) to reimburse the Truckee-Carson irrigation district, State of Nevada, for certain expenditures for the operation and maintenance of drains for lands within the Paiute Indian Reservation, Nev.; to the Committee on Indian Affairs.

By Mr. CAPPER:

A bill (S. 4026) granting a pension to Edwin R. Smith; to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 4027) granting an increase of pension to Epimonia Ortega de Kaselo; to the Committee on Pensions.

By Mr. REED of Pennsylvania:

A bill (S. 4028) to authorize the appointment as a colonel on the retired list of the Army, with retired pay, of the person now holding a commission as colonel in the Officers' Reserve Corps who has served more than 45 years in the military forces of the United States and State of Pennsylvania and has had certain military service; to the Committee on Military Affairs.

By Mr. BALL:

A bill (S. 4029) to amend an act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended by an act of Congress approved December 30, 1910; to the Committee on the District of Columbia.

By Mr. RALSTON:

A bill (S. 4030) granting an increase of pension to Lucindia E. Sisson (with accompanying papers); to the Committee on Pensions.

A bill (S. 4031) authorizing the President of the United States to appoint Samuel Woodfill to the position and rank of captain in the Army of the United States and immediately retire him with the rank and pay of a captain; to the Committee on Military Affairs.

By Mr. UNDERWOOD:

A bill (S. 4032) authorizing the Department of State to deliver to the Hon. Henry D. Clayton, district judge of the United States for the middle and northern districts of Alabama, and permitting him to accept the decoration and diploma presented by the Government of France; to the Committee on Foreign Relations.

By Mr. CAMERON:

A joint resolution (S. J. Res. 172) to appropriate certain amounts for the Yuma irrigation project, Arizona, and for other purposes; to the Committee on Irrigation and Reclamation.

AMENDMENTS TO RIVER AND HARBOR BILL

Mr. SWANSON submitted an amendment and Mr. FLETCHER submitted four amendments intended to be proposed to the bill (H. R. 11472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were referred to the Committee on Commerce and ordered to be printed.

ELEVATION OF NAVAL GUNS—BRITISH BATTLESHIPS "NELSON" AND "RODNEY"

Mr. McKELLAR. I submit a resolution which I ask may lie on the table and be printed.

The resolution (S. Res. 310) was ordered to lie on the table and to be printed, as follows:

Whereas it has been stated on the floor of the Senate, by the chairman of the Committee on Naval Affairs, that "a protest has been made by another power to this country against elevating the guns of our battleships and until that protest has been settled, I do not believe we should take affirmative action and vote to appropriate for the elevation of guns"; and

Whereas it is admitted by all competent naval authorities, as well as by the chairman of the Naval Affairs Committee, that the American Navy can not attain or maintain the 5-5-3 ratio accorded to it under the limitation of arms agreement without elevating the guns on these 13 battleships; and

Whereas it has been reported by the Secretary of State that there is no legal reason under the disarmament conference agreement of 1922 why our guns should not be elevated; and

Whereas it has been asserted that the protest against our elevating guns on these 13 battleships was made to this country on April 15, 1923, nearly two years ago; and

Whereas Article II of the limitation of armament treaty provides in part that: "The British Empire may, in accordance with the replacement table in Chapter II, part 3, construct two new capital ships not exceeding 35,000 tons (35,500 metric tons) standard displacement each"; and

Whereas in Article VII of said treaty it is provided: "The total tonnage for aircraft carriers of each of the contracting powers shall not exceed in standard displacement, for the United States 135,000 tons (137,160 metric tons); for the British Empire 135,000 tons (137,160 metric tons)"; and

Whereas Article IX of the treaty is as follows: "No aircraft carrier exceeding 27,000 tons (27,432 metric tons) standard displacement shall be acquired by, or constructed by, for or within the jurisdiction of, any of the contracting powers.

"However, any of the contracting powers may, provided that its total tonnage allowance of aircraft carriers is not thereby exceeded, build not more than two aircraft carriers, each of a tonnage of not more than 33,000 tons (33,528 metric tons) standard displacement, and in order to effect economy any of the contracting powers may use for this purpose any two of their ships, whether constructed or in course of construction, which would otherwise be scrapped under the provisions of Article II. The armament of any aircraft carriers exceeding 27,000 tons (27,432 metric tons) standard displacement shall be in accordance with the requirements of Article X, except that the total number of guns to be carried in case of any of such guns be of a caliber exceeding 6 inches (152 millimeters), except antiaircraft guns and guns not exceeding 5 inches (127 millimeters) shall not exceed eight"; and

Whereas Article X of the treaty provides in part as follows: "No aircraft carrier of any of the contracting powers shall carry a gun with a caliber in excess of 8 inches (203 millimeters)"; and

Whereas it has been stated on the floor of the Senate and in the public print that the new British ships called the *Nelson* and *Rodney* are vessels supposed to be the latest thing in battleships; that they will carry nine 16-inch guns, and that these guns will be placed forward, and that the afterdeck will be used for an airplane platform upon which they can carry airships, and that there will be no stacks: Now, therefore, be it

Resolved, First. That the President of the United States be, and he is hereby, respectfully requested to inform the Senate, if not incompatible with the public interest, what steps, if any, have been taken by the Executive Department to have said protest against the elevations of guns on 13 of our battleships settled and determined; whether any suggestion has been made by the protesting nation or by the United States that the matter be submitted for arbitration, and at what time a decision in reference to the protest may be expected.

Second. That the President of the United States is hereby further respectfully requested to obtain the information from Great Britain as provided under the terms of said treaty and inform the Senate, if not

incompatible with the public interest, whether said ships, *Nelson* and *Rodney*, conform to the provisions of said treaty; whether the same are battleships or aircraft carriers; if combined battleships and aircraft carriers, whether or not such ships, as aircraft carriers, do not violate Article X of the treaty by carrying guns in excess of the caliber therein permitted; whether the said ships as aircraft carriers do not violate Section IX of the treaty in reference to tonnage and in reference to the number of guns carried.

NAVY DEPARTMENT APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes, the pending question being on the amendment submitted by Mr. DILL.

Mr. DILL. Mr. President, when the pending amendment came up on last Monday I spent some time in trying to make clear how the site happened to be chosen, for I do not want to leave the impression that the site for a naval airplane base on the north Pacific coast was chosen by the people of that section of the country. It was chosen only after several years of investigation by the experts of the Navy Department and is unanimously approved by every aeronautic and Navy official who has studied the situation.

Seven years ago, about the time of the beginning of the World War, the Navy Department officials recommended the Sand Point site as the only suitable site on the northwest coast for a naval airplane base. For some years there was an attempt made to induce the proposal of legislation to purchase the site. Then the people of King County, through their officials, knowing the great necessity for an airplane base, proposed that they purchase the site and offer it to the Government. In 1920 and 1921 they made that proposal to the Government. That was some four or five years after the Navy Department had decided that this was the only suitable location for an airplane base.

I want to read from the testimony of Admiral Moffett before the Naval Affairs Committee of the House on May 21, 1924, as to the importance of naval airplane bases for the Navy. On page 2812, when asked as to its value and importance, he said:

An aviation base is to airplanes what a navy yard is to ships. For instance, this summer—

That was last summer—

the whole fleet will go up there, and we will want a place for those planes to go and be overhauled and repaired and the engines gone over. We have to change the engines frequently and we have to make minor repairs and sometimes major repairs. That applies to all kinds of planes—the planes that are carried on board ship, or the flying boats, or anything else. Now, these planes, say, in time of war—which all of our operations are based on—must have some main place where they can go and be repaired. A ship, for instance, has to go to a navy yard. There must be some port or some base from which it can operate and at which it can get gasoline and supplies and be overhauled. We have proposed three for that purpose in carrying out our mission on the Pacific coast in patrolling, scouting, and operation with the fleet.

There is only one that has been provided for and that is at the south end of the Pacific coast line at San Diego. It is proposed to have another one at San Francisco and a third at Seattle at Sand Point.

The point I make is that the property at Sand Point is now under lease; it can not be permanently improved, and it will not be permanently improved until it is owned by the Government. The county commissioners of King County have offered to give it to the Government, but there is no reason why that offer should continue indefinitely to remain in force. Oh, I know it is said they will not withdraw the offer. Well, why should they not? The Navy must have an airplane base on the north Pacific. This is the only suitable site within a million dollars of what it will cost to prepare any other site so it will be equally as satisfactory. The pending bill is an appropriation bill, I am told. I think it is of as much interest to this Government to save appropriations as it is to make them, and by accepting this site there will be no possibility of having to spend \$300,000 or \$400,000 or \$500,000 to buy it should the county commissioners decide not to offer it at a future time. I am not asking for an appropriation; I am simply asking that the law to be enacted shall provide that the President may direct the Secretary of War to accept the site so that we may have it and improve it as the Navy Department may see the need to improve it.

In this connection, I wish to call attention to the fact that we have been compelled to buy, at rather large expense, the other aviation bases. The inactive base now on the north

Atlantic coast at Chatham is being purchased from the owners. The cost, I think, is not exactly certain, but it is being purchased at a considerable expense. The inactive base at Rockaway is occupied by a permit from the city of New York, but that permit lapsed with the termination of the World War, and we shall have to purchase that very probably if we use it in the future, as we would use it in time of war.

Lakehurst, which is an active airplane base, is now being purchased. The Anacostia station, here in the District of Columbia, is owned by the Government. Quantico is an active base and is being purchased by the Government. The Hampton Roads base was purchased by the Government. The Pensacola station is a part of the old navy yard and is now being used for the training of aviators. The station at San Diego has been purchased by the Government. At Galveston the Government began the construction of a station on land leased, with an option to purchase, but the station is not being completed and the land is being purchased under congressional authorization to resell it. At Coco Solo, in the Canal Zone, the land is owned by the Government. At Pearl Harbor the land is also owned by the Government.

Mr. FLETCHER. Mr. President, will the Senator yield to me?

Mr. DILL. I will.

Mr. FLETCHER. Did the Senator mention Pensacola?

Mr. DILL. Yes.

Mr. FLETCHER. My attention being momentarily diverted, I did not hear what the Senator said.

Mr. DILL. I stated that the land for the air station there is a part of the old navy yard and is owned by the Government.

Mr. FLETCHER. There was a navy yard there for years and the Government simply converted the navy yard into an air station.

Mr. DILL. That is true.

Mr. FLETCHER. I wish to ask the Senator a further question. He uses the expression "Navy airplane base."

Mr. DILL. Yes.

Mr. FLETCHER. I have always understood the proper description to be "Navy air stations." Is there any difference between a "Navy airplane base" and a "Navy air station"?

Mr. DILL. Yes; there seems to be a difference. The airplane base is used primarily as a base to be used with the Battle Fleet when the Battle Fleet comes into that vicinity for repair purposes. I do not know the detailed differences. I am a member of the Committee on Naval Affairs; but I have noticed that they sometimes refer to them as "airplane bases," although they are all referred to as "air stations"; so the one really includes the other.

I wish to call attention to another matter. We are spending rather large sums of money to maintain air stations throughout the country. I do not believe, and I have never advocated, that any one section of the country ought to be given consideration because it is a section of the country; but I desire to remind the Senate that we have 13 air stations, and only one of them is located on the Pacific coast. We are spending a great deal of money in order to maintain the stations we have. According to the statistics given in the other House on the naval appropriation bill, I find that we are spending \$170,000 at the Anacostia station; that we are spending \$14,000 to keep the Cape May station inactive, simply to take care of the buildings there. That station is on the Atlantic coast. We are spending \$125,000 at Coco Solo, which is an active base. At Dahlgren, which is, as I understand, a sort of proving ground, we are spending \$6,000. At Guam we are spending \$75,000; at Hampton Roads we are spending \$200,000; at Port au Prince we are spending \$70,000.

Mr. KING. Mr. President, will the Senator yield to me?

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Utah?

Mr. DILL. I do.

Mr. KING. I should like to ask the chairman of the Committee on Naval Affairs, in view of the statement which has been made by the Senator from Washington, whether or not it is a fact that we are still maintaining, even in an inactive condition, the base at Cape May, N. J.? My understanding was that that station was to be absolutely abandoned and that the property which the Government owned there was to be disposed of.

Mr. HALE. The Cape May, N. J., station is not an active base. The Government simply has some property there and it is keeping up the property.

Mr. KING. Why should it cost such a large sum merely to keep the property in an inactive condition?

Mr. HALE. It is a very small amount, comparatively; it is only \$14,000.

Mr. KING. That is the trouble with the naval appropriation bill and with the Navy Department. There is so much overhead and waste. Instead of using the funds which we appropriate for the building of a virile, strong navy, we spend a very large part of them for overhead.

Mr. HALE. We expend at Cape May for keeping up the property there only \$14,000 a year, and that is necessary until the property shall have been disposed of.

Mr. DILL. Mr. President, I am not objecting to the fact that we keep the buildings in repair, because in time of war we must have air stations operate with the Navy; but I am reciting these figures to call attention to the fact that Congress has taken good care of the Navy, so far as the eastern and southern portions of the country are concerned, supplying some 12 stations in all, while on the whole Pacific coast, where we keep most of the fleet and where most of the trouble will be if we should have war, we have only one base. That is the point I am trying to make.

At Lakehurst we spend—

Mr. HALE. Mr. President, the only heavier-than-air naval stations that we are keeping up on the east coast at the present time are those at Anacostia, Quantico, Hampton Roads, and Pensacola.

Mr. DILL. The Senator from Maine points out that those are the only active stations; but we have the station at Cape May, we have the one at Chatham, and we have the one at Rockaway Beach, which are inactive, but which, of course, can be put into action at any time. The buildings and construction are there which may be used, and I think properly so. They are on the north Atlantic coast. I am only asking for some provision to be made on the north Pacific coast, and I am asking for it without expense to the Government, for property worth \$400,000 is ready to be provided by King County and the city of Seattle. I point out, however, that that is not a continuing offer; the Government has no option and has no right to assume that it shall have the right to take that property free forever; but there is a chance to get this property free at this time—and it will be gladly given—and I see no reason why we should not save that \$400,000, instead of taking chances and having to buy it, as we must buy it at some time as a part of our naval defenses.

At Lakehurst we are spending \$700,000; at Newport, R. I., where there is some sort of expense connected with some activities of the Navy—I am not sure just what they are—we are spending \$3,000.

Mr. HALE. Lakehurst is a lighter-than-air station.

Mr. DILL. Yes. At Pensacola, which is a training station, we are spending \$1,250,000; at Pearl Harbor, \$225,000; at Quantico, \$200,000; at Rockaway Beach, \$13,000, to take care of buildings. That is now an inactive base. At San Diego we are spending \$270,000.

These figures merely show the great expense to which we go to keep up these naval airplane bases. I am not complaining of that; I think we should do it; but I can not see why the committee should object to the acceptance of the offer for the base at Sand Point in order that we may have another arm of the Navy to rely upon on the north Pacific coast.

It is interesting to note that last summer when the Battle Fleet went to Puget Sound and used Sand Point, because it is the only base that they had to use for an air station, the experience gained at that time bore out the recommendations that had previously been made. I have here the report of Admiral Robison, who was the commander in chief of the battleplane fleet, transmitting to the Navy Department the report of Admiral Coontz, who was in command, based upon the report of Captain Moses, who actually had charge of the airplane field at Sand Point.

Admiral Coontz reports under date of September 20, 1924, that—

2. For a period of about nine years the commander in chief has made a study of the question of an air base in the Northwest and has inspected all possible sites. Sand Point presents more potential advantages than any other location.

3. It is recommended that the department support vigorously the provisions relative to Sand Point now carried in the general land bill before Congress and proceed with plans for the development of this location.

Then I have before me the report of Captain Moses, who had charge of this field and command of the boys out there who, living like a lot of settlers or tourists, were repairing the planes, standing in the water part of the time, bringing them up to the shore on temporary structures of planks and logs,

taking the engines out, putting them under a tent, and making some sort of improvised machine shop there to handle them as best they could. His report as to the desirability of an air base is dated August 30, 1924, after he had been there six weeks. The report says:

1. In obedience to your order of January 20, 1924, the following report is submitted upon Sand Point with reference to its desirability for use as a naval air base.

2. Comprehensive data as to location, size, topography, and other physical conditions are matters of record. These matters have been the subject of so many official reports and of so much discussion that it seems unnecessary for this report to do more than briefly summarize the advantages and disadvantages of Sand Point as an air base in the light of the most recent experience.

3. For the past six weeks, from the middle of July to the end of August, 1924, parts of the aircraft squadrons, Battle Fleet, have based on Sand Point for purposes of flight training, tactical work, and operations with the Battle Fleet. This Sand Point detachment has included observation planes—land and float seaplane types—combat planes, and seaplanes, with the tenders *Aroostook* and *Gannet* and advance-base equipment on shore. Reconnaissance flights have been made over many land and water areas, followed by inspection of sites which might be used as bases for land and sea planes. Particular attention has been given to inspection of localities nearer the Bremerton Navy Yard than Sand Point.

4. The advantages or disadvantages of Sand Point as an air base may be briefly summarized as follows:

#### ADVANTAGES

- (1) Proximity of labor market and city.
- (2) Land, rail, and water transportation.
- (3) Steady winds (as to direction).

And it may be mentioned the wind blows from three directions there without hindrance by hills or the surrounding country.

- (4) Good field (when cleared and graded)—

And we have in the testimony of Admiral Moffett the statement that it can be placed in a suitable condition for an expense of approximately \$75,000.

- (5) Large body of smooth water.
- (6) No tides.
- (7) Sand beach.
- (8) Combination of landplane and seaplane base.
- (9) Suitability for training purposes.
- (10) No danger from floating logs or timber.
- (11) Less fog than in sound.

Any point on the north Pacific coast is bound to be afflicted with fogs, but this place has the least fog of any place that has been considered.

- (12) No high hills in vicinity.
- (13) Freedom from salt-air corrosion.

And that is a very important consideration, because, being located in fresh water, there can not be any salt-air corrosion.

- (14) University of Washington aeronautic laboratory—

Which is only a mile or two away.

Then he sums up the disadvantages as follows:

#### DISADVANTAGES

(1) Landlocked; seaplanes, bombers, and loaded planes must fly overland to enter or leave.

(2) Canal limits size of ships which can reach Sand Point, and size of seaplanes that can enter the lake by water. The *Aroostook* approximates the extreme limits of draft and over-all dimensions of a ship which can navigate the Lake Washington Canal with its present locks and channels.

(3) Low fog in Puget Sound may prevent planes from reaching Sand Point.

- (4) Maneuvering area over the lake is somewhat restricted.
- (5) No gun range for aircraft.
- (6) Canal locks delay passage of tenders.
- (7) Distance from the sea.

All of these disadvantages are minor, and they are fewer and less important than the disadvantages of any other site in the Northwest.

(5) Sand Point appears to be the best available location in the Puget Sound area for a naval air base.

(6) Attention is invited to the fact that the character and extent of the Puget Sound area will eventually require one or more main air bases and also several outlying section bases, or subbases, for

target practice, for use in thick or foggy weather and for operations requiring a base in closer proximity to the entrance to San Juan de Fuca Strait.

I submit these as a part of the record of this particular airplane base. I recognize that this is legislation, and if the chairman of the committee sees fit he can make a point of order against it, and the point of order will be sustained; but I come back to the consideration of the fact that the Navy carries airplanes, and they must have a base. This is the most suitable, and in fact the only really suitable, location in the entire Northwest. Here is an opportunity to secure it without expense to the Government, and if we do not take advantage of this opportunity that expense may become well-nigh half a million dollars at any time. So I appeal to the chairman not to make the point of order, but to let the matter go to the Senate and be voted upon on its merits as a proposition, because this is the important thing:

The great Northwest and the north coast of the Pacific Ocean is entitled to have its share of defense, along with the rest of the country; and when there are on the Atlantic coast some six or eight stations that will serve as air bases, it is not unreasonable to ask that we have two air bases on the Pacific coast, whereas now we have but one.

The chairman of the Naval Affairs Committee, the Senator from Maine [Mr. HALE], living in the far northeastern section of the United States, knows something of what it means to live in the far northwestern section. He knows also the importance of the Pacific Ocean in case of any kind of naval warfare; and therefore I appeal to him not to make the point of order, but to let the amendment go to the Senate for a vote on its merits.

Mr. HALE. Mr. President, I have listened with a good deal of interest to the remarks of the able Senator from Washington [Mr. DILL], and I may say that I look favorably on the Sand Point project. This whole matter, however, is contained in a bill which I introduced in the Senate, and which is now before the Committee on Naval Affairs. On that bill we shall have hearings. This matter has not yet been heard by any committee of the Senate. After we have had hearings on the matter, if we find that it is advisable to enact this legislation I feel that we shall have time to do so at this session. Therefore, in spite of the very eloquent appeal of the Senator I am afraid that I must make the point of order against this amendment on the ground that it is general legislation on an appropriation bill.

The PRESIDENT pro tempore. The Chair sustains the point of order.

Mr. DILL. Mr. President, I have pending a written notice to suspend the rule and adopt the amendment. However, I realize that a motion of that kind will not be voted upon on the merits of the proposition, and for that reason I hesitate to make the motion to suspend the rule.

The chairman of the committee mentioned the fact that he has this item included in the land bill; but the trouble with the land bill is that there is very little probability of its becoming a law in this short session. I think it is extremely important that this legislation be carried in some bill that will become a law; and if the Senator will give some assurance that we may have hearings in connection with the general omnibus bill, or some bill that is likely of passage, I shall be somewhat influenced not to press the motion at this time.

Mr. HALE. I can assure the Senator that we will have hearings on this Sand Point proposition. The question as to the bill will have to be decided, of course, by the committee.

Mr. DILL. I understand that.

Mr. HALE. If the committee reports favorably, I shall do everything in my power to bring the matter before the Senate, whether it goes on the omnibus bill or on the land bill.

Mr. DILL. I understand that the Senator will have those hearings at some early date?

Mr. HALE. At an early date.

Mr. DILL. I ask that because the period is only six weeks in length. For that reason I will not press the motion.

Mr. BAYARD. Mr. President, may I ask the chairman of the committee whether or not the Sand Point proposition is the only property which will not cost the Government any money for its proposed acquisition?

Mr. HALE. I think it was in the provisions of the Senator's amendment that it was to cost the Government \$1.

Mr. BAYARD. All the rest of these properties or Sand Point alone?

Mr. HALE. Sand Point alone. It is practically a gift.

Mr. DILL. Yes.

Mr. BAYARD. I was going to make this suggestion to the Senator from Washington and the chairman of the committee: On page 39 of the bill, under the title "Bureau of Aeronautics," the last two lines, lines 25 and 26, and the first and second lines of page 40, read as follows:

For maintenance, repair, and operation of aircraft factory, helium plant, air stations, fleet activities, testing laboratories, and for overhauling of planes, \$6,921,625.

If the Senator were to insert in that, after the comma, the words "of which \$5," or "\$1," or whatever the consideration may be, "may be used for the purchase of the Sand Point site," he could do that without breaking the rule.

Mr. HALE. Mr. President, my point is that we have not yet had hearings on this matter, and this suggestion would simply be getting around the rule and legislating on an appropriation bill.

Mr. DILL. I do not want to be unreasonable in the matter, but one thing is certain: If any bill gets through on the part of the Navy, this bill will get through; and it seems to me that the Senator ought to recognize that the hearings before the House Naval Affairs Committee have been very complete. He certainly can not dispute the reports and records made by every naval officer who has studied the situation, and I think his standing on the technicality that no hearings have been had is not justified.

Mr. HALE. There certainly have been no hearings before any Senate committee on the matter, Mr. President; and I think we should have a hearing before this is embodied in legislation.

Mr. DILL. Of course, it would still be within the discretion of the Navy Department to decide whether or not it would purchase the site if the amendment suggested by the Senator from Delaware [Mr. BAYARD] were adopted. It would not be directed to purchase the site, but would be permitted to do so.

Mr. HALE. I think there is very little chance that the Navy Department would go ahead on that authorization unless they received specific authority from the Congress.

Mr. KING. Mr. President, with respect to the item which has just been disposed of, may I say to the Senator from Washington [Mr. DILL]—and I say it as a member of the Naval Affairs Committee—that with the information which I possess I would not be willing to vote for this amendment? It may be that it has very great merit. Indeed, the admirable address just delivered by the Senator would persuade almost anyone that it was an indispensable necessity for our Government. Senators may know that I have been very much interested in aviation and have felt that the Government has failed to do its full duty in the development of aviation, and that in the Navy we have spent too much money upon capital ships and too little money upon airplanes and upon submarines.

Undoubtedly there must be suitable naval bases of all kinds for surface ships, for airplanes, and for submarines upon the Pacific coast, though not alone for the reason alleged by the Senator, namely, that if we have a naval war it will be in the Pacific Ocean. I do not look for any war, at least in the near future, in the Pacific Ocean or in the Atlantic Ocean or elsewhere, in which the United States will be engaged. I hope that the conferences which are being held now in all parts of the world, and the conference now being held in this city by a number of ladies who have gathered from all parts of the United States to promote peace, will be productive of good and will fortify the determination of statesmen in all parts of the world to inaugurate policies that will make for world peace, but so long as we do not have agreements for the proper limitation of armaments upon land and upon sea and do not have measures adopted which will bring all the world into accord, of course, we shall have to maintain an Army and a Navy. When this matter comes before the Naval Affairs Committee I can assure the Senator that I shall look upon it with a good deal of sympathy, and if I think that the Government ought to accept it, I shall vote for the proposition which he has submitted.

Mr. President, I offered the other day an amendment which I now ask to have considered.

The PRESIDENT pro tempore. The Senator from Utah proposes an amendment which will be stated by the Secretary. The READING CLERK. On page 51, after line 16, insert:

That the President is authorized and requested to invite the governments with which the United States has diplomatic relations to send representatives to a conference to be held in the city of Washington, which shall be charged with the duty of formulating and entering into a general international agreement by which armaments for war, either upon land or sea, shall be effectually reduced and limited

in the interest of the peace of nations and the relief of all nations from the burdens of inordinate and unnecessary expenditures for the provision of armaments and the preparation for war.

Mr. KING. That amendment addresses itself, I am sure, to the conscience and good judgment of the Senate, and I submit it. I hope the chairman will accept it.

Mr. HALE. Mr. President, I will accept that amendment. The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. KING. Mr. President, I have another amendment which I offer.

The PRESIDENT pro tempore. The Senator from Utah offers a further amendment which will be stated by the Secretary.

The READING CLERK. At the proper place in the bill it is proposed to insert the following proviso:

*Provided*, That no part of this sum and no part of any amount carried in this bill shall be used to keep or maintain any marines in the Republic of Haiti.

Mr. KING. Mr. President, I have offered the amendment just read to the pending naval appropriation bill because I regard the amendment as germane, and also believe that the Government should, if the executive department will not voluntarily withdraw the naval forces of the United States from Haiti, be compelled by law to do so. This is not a new question. I have presented it to the Senate upon a number of occasions and have condemned the policy of our Government which subjects the Haitian people to foreign rule maintained by ships of war and marine forces armed and equipped to enforce American demands. If my amendment shall be adopted, then after the last day of June of this year the United States may not maintain marines in the Republic of Haiti. The United States has spent many millions of dollars in its forcible government of the Haitian people and in the maintenance of naval and military forces in Haitian waters and in the Haitian Republic. I repeat, it is time for the United States to withdraw its military control over a friendly State and leave the Haitian people to govern themselves in their own way and under such forms as they may choose.

I believe, Mr. President, and regret to make this statement, that practically all Americans are unaware of the fact that the United States is controlling the Haitian Government, and that since July, 1915, by military force, it has been in practical control of the same. The United States did not peaceably intervene, but it forcibly intervened in Haiti. The Haitian Government was overthrown and a dictated authority imposed upon the Haitian people. The efforts of our Government to secure the assent of the Haitian people to give the United States the same authority in Haiti that it was exercising in the Dominican Republic in 1914 were repulsed by the Haitian Government. It declared that it was its duty to the United States as well as to itself to make plain its "irrevocable intention not to accept any control of the administration of Haitian affairs by a foreign power." Undoubtedly, our Government was inspired by a desire to improve the condition of the Haitian people and believed that intervention would be of advantage to the Haitian people.

But the Haitians were unwilling to place themselves under the control of a powerful Government such as the United States, no matter how altruistic its purposes or how disinterested its aims. The Haitian people preferred to follow their own course and to not submit to the domination of a foreign power. Negotiations were conducted for some time between the United States and Haiti, which demonstrated the purpose of the United States to weaken the sovereignty of Haiti and place the fiscal affairs of the Haitian Republic under the control of the United States. Revolutionary movements occurred in Haiti, doubtless in part the result of what was regarded by some of the Haitian people as the menacing attitude of the United States. During these revolutionary movements, however, the rights of American citizens were not in any manner jeopardized.

In July, 1915, without, in my opinion, sufficient reason, American warships landed military forces of the United States upon Haitian soil, and took over the control of the Haitian Government. The Haitian troops were disarmed and the American military forces took possession of the barracks, the palace, and various strategic points upon the island.

The customhouses were seized and a military rule set up. Later, by methods not necessary here to relate, a convention was forced upon the Haitian people through a puppet government set up and maintained by the United States. This convention, in effect, robs Haiti of her independence. It was

ratified in September, 1915, and the United States ever since has been in control of Haiti, claiming its occupation to be legal under the terms of the convention which was forced upon the Haitian people. Under the convention referred to the United States was to aid the Haitian Government in the development of its various resources and the establishment of its finances. The President of Haiti was required to appoint as general receiver any person nominated by the President of the United States, together with such aids and employees as may be necessary, who should have full authority to collect, receive, and apply all customs duties on imports and exports accruing at the several customhouses and ports of entry of the Republic of Haiti. The United States also was authorized to nominate a financial adviser to be attached to the ministry of finance, and the President of Haiti was required to appoint him. This adviser was authorized to devise an accounting system, to aid in increasing the revenues and adjusting them to the expenses, to inquire into the validity of the debts of the Republic, and to make such recommendations as he deemed necessary for the welfare and prosperity of Haiti.

The Government of Haiti was required to provide by law or appropriate decrees for the payment of all customs duties to the general receiver and to extend to him and to the financial adviser aid and full protection in the execution of the powers conferred and duties imposed. The general receiver was also authorized to apply all sums collected to the payment of the salaries and allowances of the general receiver, his assistants and employees, and the expenses of the receivership and of the financial adviser to the interest and sinking funds of the public debt, and the maintenance of the constabulary which the convention provided should be formed.

The convention also forbade the Republic of Haiti from increasing its public debt except by the consent of the United States, nor was it permitted to contract any debt or assume any financial obligation unless the ordinary revenues of the Republic available for that purpose, after defraying all expenses of the Government, were adequate to pay the interest and provide a sinking fund for the final payment of the debt. It was also provided in the convention that Haiti could not without the consent of the United States modify any customs duty if a reduction in the revenue resulted, and it was required that the Haitian Government should cooperate with the financial adviser in carrying out his recommendation.

The convention also compelled the Haitian Government to immediately create an efficient constabulary both for the cities and the country, to be officered by Americans appointed by the President of Haiti, upon nomination by the President of the United States. These officers were to be empowered by the Haitian Government with full authority to perform their functions. Provision was also made that the Haitian Government could not surrender any of its territory by sale, lease, or otherwise, or confer jurisdiction over such territory to any foreign power, nor to enter into any treaty or contract with any other country which would tend to impair the independence of Haiti.

The convention further required that the Haitian Government should execute a protocol with the United States for the settlement of all pending pecuniary claims of foreign corporations, citizens, or subjects against Haiti. It was further provided in the convention that the Republic of Haiti was to execute such measures as the contracting parties regarded necessary for the sanitation and improvement of the Republic, but under the direction of engineers nominated by the President of the United States, who were to be then named by the President of Haiti.

The United States was also given authority to take such steps as it might regard necessary to insure the complete attainment of all the objects contemplated in the treaty, and whenever the necessity arose the United States was to lend efficient aid to preserve the independence of Haiti and to maintain a government adequate for the protection of life and property.

This convention was to remain in force for 10 years, and for a further period of 10 years when specific reasons were presented by either of the parties in the event the purpose of the treaty was not fully accomplished. I might say in passing that the uncertain provisions of Article XVI, to which I am now referring, gave the United States the right to continue the treaty in force for the entire period of 20 years.

Comment is unnecessary upon the extraordinary provisions of this treaty. In effect, they deprive Haiti of her sovereign rights and constitute her a dominion of the United States. The control of the customs and the collection and disbursement of revenues stripped Haiti of her powers as an independent State. It is clear that the United States assumed a military

protectorate over the Republic of Haiti and was empowered to set up such machinery, administrative or otherwise, as would subject the Haitian people to foreign rule. The constitution of Haiti was overthrown and a government set up by the United States which was required to execute the latter's will. The Haitian people had presented to them a new-made constitution. The Haitian Assembly refused to ratify it. They were particularly hostile to the article in the proposed constitution which permitted aliens to own land in Haiti.

I might say that under the Haitian constitution, which was in force when our Government forcibly intervened in Haiti, foreigners could not acquire land in Haiti. That such a provision in their fundamental law was wise most persons concede. The Haitian people knew that their island had many resources and they desired to preserve them for the Haitian people. They knew that they were surrounded by powerful States and by stronger peoples. Most of the Haitians, as Senators know, are the descendants of Africans, some of whom were brought to the island of Haiti more than two centuries ago, and at a time when Christian nations were forcibly impressing the negroes of Africa into bondage. These Haitian people wanted to guard against the imperialism of other States or the aggressions of foreign capital. Accordingly, they wrote into their constitution provisions that prevented foreigners from acquiring Haitian territory.

But in the new constitution which our Government forced upon the Haitian people this safeguard was removed. The new constitution also ratified and confirmed all acts of the Government of the United States under its military occupation. There are other provisions of the constitution which I shall not take the time of the Senate to examine which were objectionable to the Haitian people. Our Government, by military force, dissolved the assembly which refused to ratify the constitution which was prepared by our Government and which it was determined the Haitian people should adopt. By methods which I regard as unfair and indefensible this new-made constitution was forced upon Haiti.

The Haitian people resented American occupation, and many who resided in rural sections organized military movements to resist American domination. Bloody conflicts ensued, and more than 3,000 Haitians were killed by our occupying forces. An overwhelming majority of the Haitian people disapproved of the course of our Government, and they long for the day when their country shall be freed from American troops and American control.

It can not be said that any Government which has existed in the island since July, 1915, has represented the wishes of the Haitian people. The Haitian officials are not chosen by the Haitian people. They are chosen by the military Government which the United States has established and maintains. There are now hundreds of marines in Haiti armed and equipped and ready to enforce the commands of the American high commissioner. The Haitian people feel the humiliation of having their country occupied by military forces of a foreign power, and there is deep-seated hostility against the United States because of its imperialistic policy under which Haiti is placed under military rule.

I repeat that if my amendment is adopted our Government will be compelled to withdraw its military forces, and when that is done the Haitian people will call a constitutional convention and adopt a constitution, probably the one which we by force attempted to destroy, with such supplemental amendments as the new situation may have made necessary.

Mr. President, protests were filed by the Haitian people against American occupation, and in 1921 a memorial was presented which, in effect, called for the withdrawal of American marines from Haiti. An investigation was ordered by the Senate, and testimony was taken concerning conditions in Haiti and the causes leading up to military occupation by the United States. I regret that the committee who conducted the investigation did not promptly report in favor of the petitioners. The view of the committee seemed to be that it was the duty of the Haitians to collaborate with Americans for the purpose of developing the wealth of the island. They declared that "there are certain elements in Haiti that can balk and perhaps delay the rehabilitation of the country." The committee further declared "that it is the duty of patriotic Haitians to cooperate with the United States under the treaty"—which, may I add, was forced upon them—"and thus hasten the day when Haiti may stand alone."

This report undoubtedly contemplates a continuation of American occupation. In the meantime American capital has gone into Haiti and land has been acquired by Americans. Bonds have been issued under direction of the American Government which have been purchased by New York bankers, and

little by little the resources of the island are passing into the hands of American capitalists. It was to prevent conditions of this kind that the Haitian people provided in their constitution prohibitions against the alienation of land to foreigners. Mr. President, their wishes should be controlling, not ours; it is their country, not our country.

We ought not to forget, as I indicated a few moments ago, the humble origin of the Haitian people, nor their struggles toward self-government and civilization. Their forefathers came from the wilds of Africa. They were forcibly taken to Haiti, and for many years they were held in involuntary servitude. At last the Haitians rose against their masters, and under the leadership of Toussaint L'Ouverture, they broke the chains of slavery and set up a government of their own. Their efforts to establish an independent government met with opposition. They had obstacles almost superhuman to encounter. Even those liberal spirits in other lands who hoped for their success, believed that it was impossible. It must be admitted that the progress of the Haitian people has been slow. Revolutions have been frequent; war and pestilence have visited all parts of the island, and conditions have conspired to retard their development. There is great illiteracy among most of the people, and those elements of stability, and many of the qualities essential to growth and progress, have been but imperfectly developed. A few of their presidents have been assassinated, and unscrupulous and ambitious persons have too often come to power in a ruthless and brutal way.

No one can defend the misdeeds of some of those who have exercised authority and power among the Haitian people. Mistakes have been made in the life of the Haitian Republic, and those who are schooled in the traditions of the Anglo-Saxon race, and who appreciate the importance of law and order as indispensable to intellectual and moral progress, will be filled with sorrow as they read the pages chronicling the vicissitudes of the Haitian Republic.

But, I repeat again, Mr. President, these people came out of the darkness and long years must elapse before they can develop those qualities which find expression, after centuries of struggle, in the Anglo-Saxon race and among those peoples of other races who have stable and enlightened governments. But the people of Haiti were making progress when we forcibly intervened. They had men of culture and education among them. They had churches and some schools, and were developing their resources, expanding their commerce, and furnishing evidence that they would be able to fulfill their international obligations. Their government was not such as we would like. Perhaps they can not govern themselves as well as we can govern them. Perhaps if the United States should remain in Haiti for a century and take charge of their affairs and control their government, they might be further advanced, materially and educationally, at the end of that period, than if they had been left alone.

It has always been the plea of the powerful nation that superimposed itself upon the weak nation, that it could give to the people a better government than they could give to themselves. Imperialistic powers have found a multitude of excuses and pretexts for subjugating weak States. It is astonishing how benevolent and altruistic have been despotic nations in their dealings with weaker peoples. Imperialism usually clothed itself in the beautiful garb of a lofty idealism. It seeks the conquest of other nations in order to help the people and to redeem them from their own sins and transgressions!

This Nation is not the policeman for the world, nor has it been commissioned by Providence to forcibly annex other lands or to subject foreign races to American military rule. The American people, by their example, by their devotion to high ideals, to justice, to righteousness, and peace, will influence profoundly other peoples. Nations, as individuals, are taught by example, and a nation that is guided by noble purposes and a spirit of international fellowship will compel other nations to follow its course and to seek the heights of justice and peace. Peoples who have learned in the school of experience the art of self-government are the potent forces, material and spiritual, in the world. It may take centuries for the Haitian people to attain the culture, education, and capacity for government reached by some nations of the earth; but through struggles and initiative and their own efforts they will develop a texture and a strength and those qualities which will insure the perpetuity of good government and the triumph of the principles of justice.

Mr. President, our course with respect to Haiti seems to me to be clear. We should announce to the Haitian people our purpose to evacuate their territory just as soon as they have called a constitutional convention and established a govern-

ment ready to assume control and authority over the territory of Haiti and its inhabitants. We should signify our desire to aid them in every legitimate and proper way, not interfering with their Government or subjecting them to our economic control. We are in a position to aid them in the difficult path which they must tread, and we can secure their gratitude, deep and lasting, by exhibiting, in our commercial and other relations with them, that spirit of disinterested friendship that should always accompany the relations between powerful and weak States.

Mr. President, I have sometimes thought our course toward the nations to the south of us, as well as some of the peoples of the West Indies, has been calculated to create prejudices against the United States and to develop suspicions that our Nation was not free from the taint of imperialism. In the early days of this Republic the people in Latin America caught the spirit of democracy, and soon the flag of Spain was driven from continental America. This Nation evinced a sincere regard for the new Republics and sought to aid in every possible way their development and progress. We had declared that the monarchical system of the Old World was not applicable to this Republic and that the Western Hemisphere should not be a field for political exploitation. There developed a genuine friendship between this country and the countries to the south of the United States. They saw nothing imperialistic in this new Republic. It gave to the world the most enlightened and just form of government that the wisdom of man had been able to produce. They perceived that the United States sought no territorial conquests; that it did not seek colonial possessions or to impose its rule upon other states or peoples. Inspired with mutual confidence, both the United States and Central and South America marched forward hand in hand seeking the goal of international fellowship and world peace.

The Latin-American Republics, repeatedly in the early days of their existence, signified their desire for what might be denominated continental solidarity. However, the United States was then a young nation and limited in wealth as well as in the number of its population. Nevertheless, they perceived that it possessed the seeds of growth and power, and that it would ultimately become one of the greatest and strongest powers of the earth. They took the initiative in calling various Pan American Congresses. Indeed, as I recall, some of these movements occurred before the Monroe doctrine was announced. Great statesmen and military heroes, like Bolivar and O'Higgins, with earnestness sought to establish economic and political relations that would make for the material development and prosperity of all members of the Pan American Union.

Various causes developed which prevented the full consummation of the purposes of these statesmen and leaders to whom I have referred. But, nevertheless, there were men of vision in both the United States and the Latin-American Republics who adhered to the view of continental solidarity, and who exerted their influence upon all occasions to prevent any cause for unfriendly relations among any of the nations to which I have referred. The South and Central American Republics sought to build their political foundations along lines similar to those of the United States.

Unfortunately, this strong current of affection was interrupted by the Mexican War, and under the terms of the treaty of Guadalupe Hidalgo the territorial boundaries of the United States were greatly expanded. I shall not stop to discuss the merits of that conflict. There was then a sharp difference of opinion even among the American people as to the justice or wisdom of the contest. We recall that Abraham Lincoln opposed the war with Mexico.

Later conditions in Cuba became so acute that the United States intervened in the conflict which then raged between the Cuban people and the Spanish Government. As a result of that war the United States acquired Porto Rico and assumed a responsibility with respect to Cuba which it is not necessary for us now to consider.

The political party which was then in power in the United States insisted the war brought to us the Philippine Islands and Spain's title to the same was extinguished. I might say in passing, Mr. President, that it was the view of many Americans that the Philippine Islands ought never to have been taken over by the United States and that the Republic which had been set up by the Filipinos, under the leadership of General Aguinaldo, should have been recognized. There is a bill now pending in Congress which carries out the pledge of the United States as stated in the Jones Act, and requires the withdrawal of the United States from the Philippine Archipelago as soon as the Filipinos have organized a repub-

lican form of government and elected the necessary officers provided for in their organic law. Unfortunately, the Republican Party has signified its purpose to not carry out the solemn pledge of Congress, and indicates its intention to continue the authority of the United States over the Philippine Archipelago for an indefinite period. The reason for this course is the one usually assigned by powerful States for denying to small States and their inhabitants the liberty, freedom, and form of government they desire.

There are people in the United States who have imperialistic views. They would be glad to see the United States acquire distant territories and hold colonial possessions.

Our fathers did not contemplate that the principles of this Republic in all of their power and strength should be denied to any territory over which the flag of the Republic floated or to any people residing under that flag. In other words, they conceived this Republic to be a "Republic of Republics," a Nation in which all States should enjoy equal political and civil rights. They did not believe that territory should be annexed against the will of the people and held outside the Constitution, and governed as imperialistic and monarchical governments have governed distant colonies and possessions. Yet many Americans have advocated that our Government retain the Philippine Islands and acquire additional possessions and deny to them constitutional rights and subject them to a military government. The Filipinos, more than 10,000,000 in number, a homogeneous race, desire independence. For years they struggled against Spanish authority to achieve freedom, and finally they did throw off Spain's control and organized a republican form of government which challenged the admiration of lovers of liberty the world over. We made war upon them, overthrew their government, and subjected them to military rule.

They submitted to that rule and have earnestly applied themselves to learning the art of self-government and to the application of those ideas which find root in the hearts of people who love liberty. They have made great progress; they are competent to govern themselves; they are a nation of landholders; their territory is rich in natural resources; the people are industrious; they aspire to a republican form of government, patterned after this great Republic, and they now knock at the door of Congress and demand that we redeem our pledges to withdraw our military forces and allow the Filipinos to take their station as an independent nation among the civilized nations of the world.

Mr. President, I protest that a denial of their national aspirations will be regarded by the liberal forces throughout the world, not only with regret but with apprehension. It will afford ground for suspicion, if not belief, that this Republic is imperialistic and ambitious and seeks opportunities for the exploitation of foreign territories and alien people.

May I say that former Governor General Harrison, who was in the Philippine Islands for several years, reported to Congress that the Filipinos were competent to govern themselves and were able to maintain a stable government.

The Democratic Party accepted that view in the platform adopted by that party in 1924. They declared that it was our duty to withdraw from the Philippine Islands and give to the Filipinos the liberty and freedom they desired.

Mr. President, the United States also took from Spain Porto Rico, and has a form of protectorate over Cuba. Later our Government brought Santo Domingo within the sphere of its control. Military forces were landed in Santo Domingo, and for many years it was subjected to the military control of the United States. I am glad to know that recently our military forces were withdrawn, but, as I am advised, there are certain conditions which the Dominican Government must comply with, among them being the ratification of all of the acts of the military government and "an agreement to allow the United States to continue to collect the customs and administer the finances of the country."

Then, in 1915, as I have heretofore stated, we forcibly landed troops in Haiti, overthrew the constitution of that country, and during the entire period since then we have governed the Haitian people by military force. It is true there is a Haitian constitution and a so-called Haitian President and that Haitians fill various positions in the Government; but, Mr. President, it is not a Haitian Government. That is a fiction. We affirm to the world that the Haitian people are free and independent.

It is a sort of magnificent gesture, but the fact is that we forcibly intervened in Haiti and that our troops and our strong arm dominate and control the Haitian Republic. We have controlled her finances, negotiated loans for her, determined her fiscal policies, outlined and enforced her internal and domestic policies as well as her foreign policies. We have

required that she should authorize bond issues aggregating, as I now recall, \$40,000,000.

It is true that Haiti was owing France when we took control of the Haitian Government, and there were some internal loans which would shortly mature. But the Haitian people were able to meet their obligations, and, as I now remember, bonds held by France had not then matured. It is claimed that there is a moral if not a legal obligation upon the part of the United States to remain in control of Haiti until such indebtedness resulting from said bonds is discharged. I do not remember definitely when this \$40,000,000 bond issue will mature, but undoubtedly the obligations run for from 20 to 30 years, and if this contention is true, then the United States will be called upon to remain in possession of Haiti's Government for an indefinite period.

Mr. REED of Missouri. Mr. President, may I ask the Senator a question?

Mr. KING. Yes.

Mr. REED of Missouri. If I understand the Senator, it is to the effect that the United States has incurred an obligation to remain in the island of Haiti until the bonds are collected.

Mr. KING. I stated, or intended to state, that it is claimed by some with respect to the bond transaction to which I refer that there is a moral obligation upon the part of the United States to control the fiscal policies of Haiti until the maturity of such bonds. Undoubtedly, our legal obligations are to be determined by the treaties or conventions that have been entered into, or may be entered into, between the United States and Haiti.

However, if conventions were, or are, wrung from the Haitian people by our Government there will be just ground for complaint, and the position may be taken by Haitians that their country is not bound by such provisions.

Mr. REED of Missouri. How is that obligation of the United States evidenced? The Senator does not mean to say there is a treaty to that effect between the two countries, I take it. Does he then mean to say there is a contract between the bondholders and the Government of the United States in which we assume the obligation to which he refers?

Mr. KING. The Senator from Missouri was not in the Chamber when I called attention to the terms of the convention forced upon the Haitian people by the United States in September, 1915. I do not have the full text of the treaty before me, but I am advised that some Americans claim that under that treaty loans which have been negotiated by the Haitian Government since American occupation are to be protected by the United States. It is insisted by some that there is a legal obligation on the part of the United States to see that the loans are paid; others contend that the obligation is a moral one only.

I am told that these loans which I am referring to were negotiated with American bankers; and that there were letters exchanged between the State Department, or between American officials in Haiti and the banks who made the loans, or underwrote them, that the United States would see that the terms of the bonds were met by Haiti, and that to accomplish such result, the United States would control the fiscal policies of Haiti until the bonds were discharged.

Of course, I did not mean that the United States is obligated to pay the bonds.

Mr. REED of Missouri. No; but if we actually have assumed such an obligation, how can the Senator consistently offer a resolution which would provide that we shall place ourselves in a position so we can not carry out our obligation provided there has been a breakdown of government in Haiti? It seems to me—though I am not arguing it—that the Senator puts himself out of court when he says we have such an obligation, because if we have that obligation then we must do everything that is reasonably necessary to carry it out. I never imagined we had any such obligation, but if we have it we must keep the faith.

Mr. KING. Mr. President, I hope the Senator is right that there is no obligation either moral or legal upon the part of the United States to see that the obligations arising from the bonds referred to are discharged. However, Mr. President, there is a point of view which it is proper to stress at this time. If the United States imposes by force of arms its rule upon an alien country or people, and takes forcible possession of their government, and sets up a puppet government through which it places burdens upon the people of such state, there is much reason to argue that such act is ultra vires, as lawyers say, and imposes no valid obligation upon the coerced state and people to discharge the same.

Purchasers of securities issued in such instances should inquire as to the authority to issue such obligations. It might

be said that the doctrine of caveat emptor applies, and that the purchasers of such bonds should beware, and should determine whether a liability is created legally or morally which the submerged State and people are compelled to meet. Of course, as to the situation of the dominating and compelling government, another question arises which I shall not now attempt to determine.

But when I referred to moral obligation I had in mind the representations which, I understood, had been made to bankers of New York who acquired the bonds issued under the direction of the United States, that the United States would remain in control of the fiscal policies of Haiti for an indefinite period and would see that such bonds were paid.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KING. Yes.

Mr. McKELLAR. Who created the obligation on the part of the United States and when was it done?

Mr. KING. I have not stated that there were any obligations which the United States was required to pay, either morally or legally, out of the Treasury of the United States. What I intended to say was that it is asserted, as I understand, by those who have purchased bonds issued by the government set up in Haiti by the United States that the latter is morally, if not legally, bound to see that Haiti pays such bonds when they mature. I have suggested that Haitians may claim that these bonds are not valid obligations which they are compelled to meet because their issue was forced by the United States. I shall not discuss this matter from the standpoint of international law. Undoubtedly there are many precedents which establish the proposition that Haiti would be bound to meet these obligations, even though the authorities which issued them were not of their choice and were acting under the direction of a foreign government which was controlling and directing the Haitian Government at the time the bonds were issued.

I think it may be conceded that under accepted principles of international law the obligations of a de facto government, even though it is not one of the people's choosing, are valid obligations to be met by the State when a de jure government is established. Of course, if the present government in Haiti is a de jure government, it is quite likely the principles of international law would require the Haitian people, when the United States shall withdraw from Haiti and the people are permitted to establish their own government, to make provision for the payment of these bonds at their maturity.

Mr. REED of Missouri. If the Senator will pardon the interjection, if certain individuals who happen to hold office under the Federal Government undertook to do that which they had no authority to do, I deny that any act of Congress can impose any kind of obligation upon the Federal Government or the people of the United States, either a moral obligation or a legal obligation.

Mr. KING. I agree with the Senator.

Mr. REED of Missouri. If that be true, then the premise that the Senator was laying down a few moments ago disappears. I also deny the proposition, if it be made, that if any set of bankers—and I have no antipathy toward bankers, because I borrow money from them—would talk with the State Department and get a promise from the State Department that if they loaned money the United States would see to its collection, that it would be of the slightest validity. If any officer of the State Department undertook to make any such contract he ought to have been very summarily dealt with. If he was Secretary or a responsible Cabinet officer, he ought to have been impeached. I do not mean to intimate it has ever been done, but if it had been attempted a very gross breach of duty would have occurred.

I am unwilling to treat this proposition as in any way intermixed with the collection of the debt due by the Haitian people, but I also regret that the Senator has said, unless indeed he is prepared to fully sustain it, that our Government or any of our officials undertook to do either one of those things, to set up a fictitious government in Haiti, and then through that fictitious government to have bonds issued, and that thing having been accomplished to have given a pledge, moral or any other kind of pledge, to men who loaned the money that we would enforce the payment of that money at point of the sword or by any other manifestation of power.

Mr. McKELLAR. Mr. President, before the Senator goes to another feature of the discussion will he yield?

Mr. KING. Certainly.

Mr. McKELLAR. I would like to ask the Senator how long those bonds are to run, and what is the amount of bonds that have been issued? The statement the Senator made is a very startling one, it seems to me, that bonds have been

issued in the manner he said. How many of those bonds are there and how long are they to run?

Mr. KING. May I say to the Senator that when our Government took control of Haiti, the Haitian Government had a foreign indebtedness of several millions of dollars, and also an internal debt amounting to several millions of dollars. I do not recall the aggregate amount of the internal and foreign debt, but it was, as I remember, about \$16,000,000. I am speaking only from memory and have not had occasion to look into the indebtedness for a number of years. The new government which was set up under the direction of the United States authorized the issue of bonds to the amount of \$40,000,000. My opinion is that the entire amount authorized has not yet been issued. But between sixteen and twenty-five millions in bonds have been issued, most of which have been sold in the United States, and have been taken largely by New York bankers. I am not certain as to the date when the bonds which have been issued mature, nor do I know whether it is intended to increase the bonded indebtedness.

Mr. ODDIE. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Utah yield to the Senator from Nevada?

Mr. KING. Certainly.

Mr. ODDIE. I think I can answer the question of the Senator from Tennessee. Sixteen million dollars of these bonds have been issued for a period of 30 years.

Mr. KING. My opinion is that the amount issued since American occupation exceeds \$16,000,000.

Mr. President, recurring to the statement made by the Senator from Missouri, I think there is a difference between the situation resulting from the occupation of Haiti by the American Government and the case where individuals who temporarily hold positions under the Federal Government perform acts wholly beyond their authority. I also agree with the Senator that if bankers talked with the State Department and obtained promises from its officials that the United States would be responsible for money loaned by the bankers, that it would impose no liability upon the Government. But, as I have stated, the United States forcibly intervened in Haiti. It overthrew the existing government as well as the constitution then existing; it set up a government manned largely by Haitians and brought about the adoption of a new constitution, modifying the former constitution. It also negotiated a treaty with the new government which impaired its sovereignty and placed the United States in control of Haiti and the newly created government. It caused this government of its creation to issue bonds, and undoubtedly the representatives of the United States in Haiti, if not the State Department, made representations to the purchasers of these bonds that the United States would undertake to see that said bonds were paid by the Haitian people. Of course, it will be claimed that the United States was rightfully in Haiti and that it was acting within the terms of the treaty. That claim will be made also by the bondholders, and undoubtedly they will insist that there is a moral, if not a legal, obligation on the part of the United States to either remain in Haiti until the bonds are paid or at least control the fiscal affairs of Haiti and compel the payment of these obligations at maturity. I shall not pretend to state just what the obligations of the United States are with respect to the bondholders; I am more interested in the question as to the right of the United States to be in Haiti and as to the justice of the course of our Government toward the people of that Republic.

In an article appearing in the Atlantic Monthly for July, 1924, written by Samuel Guy Inman, reference to the Haitian question is made. In his article he states that in Haiti there are 2,000 marines who—

direct and protect the Haitian Government elected under their supervision, where an American financial adviser exercises absolute control over finances, collecting customs and making loans which the United States Government guarantees, thus assuring its continued occupancy of Haiti, and where, moreover, the nation's constitution was rewritten to permit the acquisition of land by United States companies.

Mr. REED of Missouri. Mr. President, I should like to know the authority of that author for the statements that the United States Government has guaranteed the loans referred to. I do not want to say anything harsh of the author, and I do not mean to say that he writes falsehoods, but a falsehood gains no sanctity because it is printed in a modern magazine. It is of record that they have several times allowed inaccuracies to get into their articles, to say the least. I should like to know when the United States guaranteed such loans. It takes an act of Congress to do that, and I know of no such act.

Mr. KING. The writer does not say that Congress or the Government by any legislative act has guaranteed the loans.

Mr. REED of Missouri. If the Government has not done so, who speaks for the United States?

Mr. KING. He must have reference to the Executive department, or place an interpretation upon the treaty of September, 1915, which I have said was forced upon Haiti.

Mr. REED of Missouri. I think he has reference to his imagination.

Mr. KING. No; I do not think so. I think, Mr. President, that there have been commitments made by the State Department which the Senator would not approve, and which, if I am correctly advised, I would not approve.

Mr. REED of Missouri. And which the State Department had no authority of law to make if it ever undertook to make them.

Mr. KING. The Senator may be right as to that. Earlier in my remarks and before the Senator entered the Chamber, I referred to the convention between the United States and Haiti which placed the United States in control of Haiti and her Government and her fiscal affairs. I have contended, however, that there might be some legal question as to the validity of obligations contracted by a Government which was the creation of a foreign force; and it would seem that there might be some question from a moral standpoint, as to the validity of such loans when the Haitian people were compelled to submit to the demands of the United States, and when the puppet government which was set up by the United States to ratify the treaty, did not represent the will of the Haitian people.

It will be claimed, however, that there was a government in Haiti, not only de facto but de jure; that the bonds were issued by this government with the officials of the United States in charge of the fiscal affairs and the revenues of Haiti, and that the United States controlled the disposition of the funds derived from the sale of the negotiated bonds. The claim undoubtedly will be made that the United States Government is, therefore, under the treaty, and because of the part played by the State Department in the bond transaction, under obligation to see that the bonds are paid at maturity.

I referred a moment ago to Mr. Inman and his reference to Haiti. The article from which I quoted appears under the title of "Imperialistic America." Mr. Inman is a student of Latin-American affairs and has spent much time in travel in South and Central America and is competent to advise the American people concerning conditions in those countries and to interpret the views and feelings of our Latin-American neighbors. He asks us to examine the map and note the countries "where the United States is now in practical control." He also states that this control always brings resentment and enmity among the people, though their officials may approve of it. Among the list of countries enumerated by him are Cuba, Haiti, Santo Domingo, Panama, Honduras, Salvador, Colombia, Ecuador, Peru, Bolivia, Guatemala, Costa Rica, and Mexico. He states that out of the 27 Latin-American Republics, 11 have their financial policies directed by North Americans officially appointed, and that 6 of this number have their financial agents backed by American military forces.

He also states that four of these Republics, other than the 11 referred to, have their economic and fiscal life closely tied to the United States through large loans and concessions, giving special advantages to American capitalists.

In the article referred to, he quotes from the work of Mr. H. H. Powers, entitled "America among the nations," Mr. Powers makes the following statement:

It is difficult to follow the expansion of America in the Caribbean without feeling that it will go farther. Utter recklessness and incompetency have characterized the management of every one of the pseudo-states which the preoccupations of the real nations have temporarily abandoned to independence.

This is a cynical expression of the imperialistic American—

It was a matter of chance which one of the dancers should first pay the piper, but all have danced and all must pay. To the independence party Central America is its own little world. To the imperialistic party it is but a pawn on the mighty chessboard of world empire.

The United States plays the vaster game, must play it, and play it well, for the stake is its existence. We have learned subtler ways of winning, more varied ways of ruling. Never was our frontier more alive than it is to-day. Not one American in a hundred realizes that we have a protectorate over Haiti, and that our control is creeping out through all these southern seas. If he knew, his only reaction would probably be a slightly increased complacency. The door is thus

opened wide for a government embarrassed by the mischievous irresponsibility of these petty make-believe states to take refuge in an ever-broadening imperialism.

Mr. President, the view of Mr. Powers, I am sure, will not be indorsed by the American people. Unfortunately, there are some Americans who would support an imperialistic policy and welcome the annexation by the United States of Mexico and perhaps other territory. Some flambuoyants have at times declared that the United States was destined to rule the Western Hemisphere, but I feel sure that the heart of the American people is sound and that they are opposed to military and imperialistic policies and to the gaudy trappings of military power. They desire peace and friendship with all nations and will welcome the progress and development of nations in this hemisphere.

But we can not disguise the fact that there are interests in the United States that are seeking to exploit Mexico and countries in Central and South America, as well as some of the islands of the East Indies.

Mr. Inman, in the article to which I have referred, takes the view that America is becoming imperialistic and that its course in recent years particularly indicates a growing imperialistic tendency.

In his article he speaks as follows:

After watching it rather closely for several years the author believes that it bodes more evil than any other tendency on the American Continent to-day.

Then he speaks of Cuba and states:

Run your eyes rapidly down the map and note the countries where the United States is now in practical control. And remember that this control always brings resentment and enmity among the people, though their officials may approve it. Here is the list:

Cuba, where the United States has a Navy base, with marines often found in the interior of the country, with the threat of intervention always held over the Cuban Government, which can make no loan nor dispose of any territory without the consent of the United States, whose representative at Havana largely controls the political and financial policies of a land whose economic life is determined by absentee landlords and bankers living in the United States.

May I say in passing that I think the United States could do no more gracious or righteous thing than promptly to ratify the treaty, which has been sent by the Executive to the Senate, by which the title to the Isle of Pines shall be confirmed in Cuba? The Isle of Pines does not belong to us. It would be a high-handed act of imperialism, in my judgment, if the United States should annex the Isle of Pines and place it under military control; for if annexation occurred, it would be placed under military or naval authority. We would govern through the Navy or through the Army, through the War Department or through the Navy Department. The people who resided there would learn to see the gold braid and the insignia of the military and naval power, not the symbols of civil authority.

Mr. Inman refers to Haiti in a paragraph which I read a few moments ago. May I add, Mr. President, that I was in Haiti a few years ago and learned that Americans were acquiring lands and property and were making investments which, if continued, would sooner or later give American capital a dominating influence in the industrial and economic life of the Haitian Republic?

It is a question which should be considered seriously by the American people aside from the question of morality and justice. Is it for the best interests of the Haitian people and the people of the United States for Americans to acquire large holdings and assume a dominating influence in Haiti? I am only repeating when I say that the Haitian people, fearing the aggression of virile Americans, solemnly asserted in their constitution that no part of their territory could be acquired by aliens. They knew their own intellectual limitations, their backwardness, their inability to cope with the peoples of many civilized States. They appreciated that their permanent progress depended upon their continued ownership of the soil. They perceived the evils of peonage in Egypt and in Mexico. They knew that if the lands of Haiti were to be acquired by large corporations, the people would be slaves. Haiti's future depends upon the products of her soil. She can grow coffee and cane and various kinds of fruits in great abundance. The inhabitants of Haiti, if they would be free from industrial servitude, must be landowners. They were wise in placing the limitation which I referred to in their constitution. It was unjust to the Haitian people, it was indefensible for the United States to require, in the constitution which was forced upon

them, a provision that aliens might acquire the ownership of lands in Haiti.

Mr. President, I submit that our course in Haiti has created intense bitterness in the hearts of the Haitian people. They also believe that we are imperialistic and seek to control them politically as well as industrially. Our course there has also produced an uneasy feeling among many Latin Americans. They can not reconcile our professions of democracy in the policy pursued in Santo Domingo and the Republic of Haiti.

Mr. Inman refers to the changing sentiments in South America and to the spirit of distrust, if not hostility, which is developing against the United States. He states that in Latin American magazines articles are carried in every issue against the United States, and he thinks that "old friends have either changed or they do not care to oppose the tide." With reference to the statement made by our State Department to the effect that the relations with Latin America have never been more cordial, Mr. Inman refers to *La Prensa*, a newspaper published in Buenos Aires, which—

sharply challenged the optimistic report made to the Secretary of State by the United States delegation to the Santiago conference.

The paper referred to calls the report—

inexact, incomplete, and exaggeratedly optimistic.

Then, after referring to the various causes of the controversies, the article in this newspaper asks whether the people of the United States know about these things which so profoundly affect their interest. It further states that if Pan American friendship is to go forward the United States must reorganize their work on another basis—

taking into account the discontent which exists in the greater part of the Latin American countries.

It refers to the lack of diplomacy, of exact information, and of coordination among the various officials of the United States Government in regard to Pan Americanism blocking its development.

Continuing, Mr. Inman refers in the following language to the course of the United States in dealing with Santo Domingo:

For the first time in the history of the Republic, one Republic, without declaring war on another, landed an army, dismissed the President and Congress, and for several years ruled entirely, without even a semblance of national government, by military decree enforced by a foreign military government, backed by 2,500 marines. Recent promises to retire the military government are conditioned on the Dominican ratification of all the acts of the military government and agreement to allow the United States to continue to collect the customs and administer the finances of the country.

It would seem, Mr. President, that there was a condition which we imposed, doubtless in the interests of American creditors, which obviously constitutes a protectorate and impinges upon the sovereignty of the Dominican Republic.

Speaking of Panama, Mr. Inman refers to the statement of Mr. Roosevelt, "I took Panama," and to the fact that ever since that time it has been under control of the United States, with an agreement which calls for the disbanding of the Panamanian Army, the taking over at any time of further Panamanian territory considered necessary for protection of the canal, and carrying out any other measures which might be covered under the general formula of—

maintaining the independence of the Republic of Panama.

Speaking of Nicaragua the author states—

We have maintained 100 marines since 1912 keeping in control a government which, according to the United States admiral in charge, is opposed by 80 per cent of the Nicaraguans, but which is favorable to American bankers, who, with the approval of the State Department, collect the customs and own the national banks and the railroads—such a complete control that the country is known throughout Latin America by the name of the bankers who hold the privileges,

The author, in considering our relations to Honduras, says:

Honduras, where the American minister and two American corporations have long been the controlling powers, and where recently Marines have been landed for "protection of American life and property"—the same formula under which they have entered and remained in the other countries mentioned.

Here then are six Republics where the United States' economic control is backed by military forces on the ground.

Next we come to the countries where North American financial advisers, directing the fiscal policy of the governments, have not yet

brought military forces, but, following precedent in the above-named republics, they may at any time bring those forces, which are always handy, on the battle cruisers that continuously patrol the Caribbean.

Referring to Salvador and other countries, Mr. Inman continues:

Salvador, where a loan at 8 per cent—plus extra charges—has been recently made by New York bankers, which loan is guaranteed by 70 per cent of the customs receipts, collected by the bankers, with the agreement made by the Secretary of State of the United States that if any differences arise between Salvador and the bankers, he—the Secretary of State—will refer the question to the Chief Justice of the Supreme Court of the United States, whose word shall be final.

Colombia, where an American financial mission has just outlined a reorganization of the fiscal system of the Republic, especially advising as to the expenditure of the \$25,000,000 the United States is now paying to Colombia.

Ecuador, where the Government has recently engaged an American financial adviser, where an American president of the principal railroad owns most of the stock, and where American interests recently blocked an English loan.

Peru, where an American financial adviser directs the fiscal policies of the Government, and a loan is pending by American bankers which would be guaranteed by the customs, collected by Americans.

Bolivia, where the hardest bargain of all has been driven, with a loan of \$24,000,000 floated, which is guaranteed by the country's customs, by the stock in the Government bank, by a Government railroad, and finally by all the internal revenues of the country, which may be augmented at any time to suit the commission of the American bankers—which commission now assumes complete control of Bolivia's finances, including practically the power to dictate what Bolivia's tariffs and taxes shall be.

Guatemala, where American bankers control the business, American money is the medium of circulation, and the United Fruit Co. and other American financial interests have secured control of the railroads, which now become a part of the international railways of Central America—the largest American-owned railway enterprise outside of the United States.

Costa Rica, where, after 30 years' peace, American oil and banana interests recently fomented a revolution against a reform government and at present largely control the economic life of the country and often act as brokers for the Government.

The author refers to other South American countries, but I shall not take the time of the Senate to name them. However, in speaking of Mexico, he declares that Americans own one-third of the \$2,500,000,000 of the nation's wealth, with 73 per cent of the oil lands and much the largest part of the more than 54,000,000 acres of land owned by foreigners.

I think it is generally conceded that the Santiago conference, from which so much was expected, was a failure. It did not produce amity, but upon the contrary it brought about, as stated by Mr. Inman, a resurgence of opposition against the United States. This condition is manifest by the hostile criticisms in South American newspapers and by utterances on the part of many of the people. I referred a few moments ago to an article in *La Prensa*. In part, it is as follows:

The conference has perturbed the tranquillity of the situation in general, and especially among certain groups like the Rio de la Plata group (Argentina, Uruguay, Brazil). In the question of disarmament the part of the United States was scarcely welcome, since they, being the initiators of the movement for universal disarmament, and authors of that subject on the program of the Santiago conference, then abandoned this attitude at Santiago. \* \* \* Do the good people of the United States know these things, which so profoundly affect their interests? \* \* \* The United States has a great mission in favor of Pan American friendship, but they must reorganize their work on another basis, taking into account the discontent which exists in the greater part of the Latin-American countries. The lack of diplomacy, of exact information, and of coordination among the various officials of the United States Government in regard to Pan Americanism is blocking its development.

Mr. Inman states:

No one who visits these countries, mixes on equality with the people in general, reads their literature, and attends their theaters and lecture halls can fail to realize the truth of the following, written by an Argentine professor, a friend who laments the fact he describes as much as does any American:

"As is well known, up until the present, whenever reference is made to closer relations between the two Americas, the intensification of economic relations between them is the usual method advocated. This attitude, in which many eminent personalities have taken part, has

not been able to accomplish the desired results. It is certainly true that in Latin America the conviction seems to have grown largely that the egotistic motive is the one that guides the United States in its relations with these countries and the materialistic conception of the North American civilization has been more largely confirmed in recent time. The current of sympathy toward his country which Wilson succeeded in arousing during the war and which caused Ricardo Rojas to say that the legend of a ruddy and cannibalistic Yankee had disappeared and that the United States was displaying a magnificent spirit has gradually disappeared. For people in general once again the North American civilization is considered as barbaric and automatically moved only by a utilitarian objective.

We would even venture to say, at least in reference to Argentina, that she finds herself further removed from the United States to-day than she was in the sixth and seventh decades of the past century. At that time at least our people were influenced by the fervid enthusiasm for North American democracy felt by Sarmento and Alberdi. Certainly, with France and England, the United States had captured our sympathy. To-day this has all been modified. While France continues captivating us by the excellencies of her literature and Great Britain continues attracting our thinkers as the country of free institutions and good political sense, the United States presents herself to us as principally concerned in the conquest of our markets.

Mr. Inman then quotes from Mr. Roosevelt as follows:

If succeeding administrations can act as Wilson's is now acting in reference to mine, then unquestionably there is far heavier claims for reparation against the United States . . . by Santo Domingo and Haiti for her invasion and overthrow of their Government by armed forces without declaration of war, while Costa Rica, Nicaragua, and Guatemala, all have similar grievances, and in the case of one—I think Costa Rica—the International Court of the Isthmus has actually decided we are to blame.

Mr. Inman criticizes the course of our Government in seeking to alienate the Latin Republics from the Pan American spirit which should bind the nations of the Western Hemisphere together.

Mr. President, it would seem as if the materialistic spirit was finding a place in America; that policies foreign to democracy, imperialistic in form and in results, were being followed by the administration and supported by too many persons in this Republic.

A short time ago Doctor Gruening, one of the editors of the Nation, went to Haiti to investigate conditions there. He wrote a number of articles which were published in the paper referred to. They are corroborative of the position I have taken. In a recent editorial the Nation has this to say about Haiti:

Haiti is too small to stay in the headlight. The juggernaut of American imperialism is rolling on, crushing the life out of the proud Negro Republic, and the American people are unaware of the bitter crimes being committed in their name.

I referred earlier in my remarks to the fact that a Senate committee had been appointed to investigate conditions in Haiti. The chairman of that committee was the senior Senator from Illinois [Mr. McCORMICK]. Notwithstanding his report, it is evident that he is dissatisfied with the attitude of our Government toward Haiti, for less than a year ago he offered in the Senate the following resolution:

Whereas martial or military law was proclaimed in the territory of the Republic of Haiti by the commander of the American military forces landed there in 1915; and

Whereas such military law continues effective throughout the territory of a friendly Republic by the authority of the President of the United States; and

Whereas, under such military law, citizens of Haiti are liable to arrest by the armed forces of the United States and to trial before military tribunals of the United States, nine years after military law was first proclaimed to the end that anarchy might be checked and civil order restored: Therefore be it

Resolved, That the continuance of such military or martial law, and the liability of Haitian citizens throughout the Republic to trial before military tribunals of the United States, is undemocratic, unrepresentative, and contrary to American ideals. . . .

Senator McCORMICK confirms my statement that martial and military law exist in Haiti. Mr. President, I received many letters from Haiti, some of them within the past week, protesting against military autocracy which there prevails. Haitian citizens of repute and high standing are arrested and thrown into jail without trial. Free speech is restricted and freedom of the press is unknown. Our marines are kept in Haiti to enforce the edicts of those in authority.

In the name of the Haitian people I protest against the continuation of this policy which compels a friendly people in a near-by State to submit to foreign domination.

The editorial from the Nation, which I referred to, continues, as follows:

We, the American people, conquered Haiti in 1915. There has been no legislature, no legal government in Haiti, since Smedley Butler, now settling the affairs of Philadelphia, appeared pistol in hand before the Haitian Senate (too boldly patriotic to do the conqueror's will) and dissolved it. No elections have been held. A puppet government has held power, ruling in the interest of American economic development, and ruling brutally. One branch of the government remained in Haitian hands—the courts. The Americans or their puppet government might issue decrees muzzling the press and forbidding criticism of the conqueror's acts; the courts almost invariably refused, as patriots should, to hold Haitian editors guilty. Again and again the complaint has been made that the courts were partial and preferred Haitians to marines. Naturally, what Haitian would not? Now, this last bulwark of Haitian freedom is being destroyed. On July 28, by decree, the illegal council of state abolished the permanent tenure of the magistracy.

Henceforth insubordinate judges can, and will, be removed by executive fiat. Doubtless we shall read in Navy publicity that the courts were corrupt and the magistrates ignorant; the fact is that the magistrates are being dismissed because they were too patriotic.

Elections should, constitutionally, have been held last January. Without sanction by the marines or the puppet government many Haitians insisted on exercising their constitutional rights and voting.

A senate was elected. This senate, although never sworn into office by the powers that be, has just met. It was particularly aroused by the action of the American authorities in negotiating in behalf of Haiti regarding a frontier dispute of long standing between Haiti and the Dominican Republic. It is reported that traces of oil have been discovered in the disputed territory, which makes the negotiations particularly interesting. Faced with the possible alienation of their land by their conquerors the senators drew up this protest:

"The Republic of Haiti is still under the military occupation of the United States, and the Government which rules there is not the free expression of the people's will. It is the duty of the Senate to protest against the initiative of this Government in undertaking, in the present circumstances, to settle the Haitian-Dominican dispute.

"The senate, in the name of the people from whom it obtains its powers, and under reserve of the authority of the high court of justice, declares void and of no effect any act which transfers Haitian territory to a foreign State, company, or individual without the formal consent of the authorized representatives of the nation; and declares that any citizen participating in such an arrangement is a traitor to his country.

Cauvin, César, Charmant, Honoré, Sandaire, Télémaque, Sylvain, Glémaud, Hudicourt, Senators.

The editorial proceeds:

Americans applaud such courage and independence when little nations display it against other great nations. Are they blind and dumb when a weak people attempts to preserve its integrity against their own race?

Mr. President, I should like to read to the Senate a number of the letters that have come to me from Haiti. I think they would be disturbing to many Senators. Certainly when they learn of the high-handed methods there pursued, of the denial of justice, of the suppression of the press, of the incarceration of cultured and able men because they have demanded their rights and the establishment of law and justice, there would be a change in their attitude toward Haiti. I appeal to Senators and to the American people to end this Haitian tragedy, and to demand that the United States immediately withdraw from Haiti and abandon its unjust and imperialistic course toward an unoffending people. I plead to-day for the rights of the people of Haiti and ask Senators to join with me in support of the amendment which I have offered to the pending bill.

Mr. SHIPSTEAD obtained the floor.

Mr. HALE. Does the Senator intend to speak for some time?

Mr. SHIPSTEAD. I expect to speak for about an hour.

Mr. HALE. We have now come to the very last amendment in the naval appropriation bill, and I hope the Senator will allow us to go on with it and complete it, and will make his address after the bill has been passed.

Mr. SHIPSTEAD. I have been waiting for several days to make the remarks which I now desire to submit.

Mr. HALE. I hope the Senator will yield so that we may conclude the consideration of the naval appropriation bill.

Mr. KING. Why should the Senator from Maine try to interfere with the able Senator from Minnesota?

Mr. HALE. I would like very much to have the bill passed and get it into conference this week, if possible. There are a number of other important bills now before the Committee on Naval Affairs, and we have had to postpone hearings on those bills until we could get this appropriation bill out of the way. I think it would be to the interest of the country to get this bill through so that we can proceed with our meetings in the Committee on Naval Affairs, and I hope the Senator from Minnesota will allow us to go ahead with it.

Mr. SHIPSTEAD. Mr. President, I sympathize with the Senator from Maine. I know there are many questions pending before the Senate which should be taken care of. There are also many questions pending before the country which are not pending before the Congress which should likewise be taken care of. I rose to address the Senate upon a matter which I think is of importance and which has lain dormant for the entire session of Congress. It is a subject upon which there has been a great deal of discussion in the last 40 years, particularly during the last session of the Congress.

Mr. ODDIE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Nevada?

Mr. SHIPSTEAD. I yield to the Senator.

Mr. ODDIE. Will not the Senator yield to me for a very few minutes in order that I may answer some statements just made by the junior Senator from Utah [Mr. KING] in reference to our occupation of Haiti?

Mr. KING. Mr. President, I hope the Senator from Minnesota will not yield, and I express that hope only for one reason. I am compelled to go to a meeting of the Committee on Privileges and Elections. That committee will have a meeting at 2 o'clock to pass on some very important questions, and I am compelled to be there. Of course, I would like to be here when the able Senator from Nevada replies to me, and if he will defer his reply until the Senator from Minnesota shall have concluded, I shall be happy to return and listen with great pleasure to what he may have to say.

Mr. ODDIE. It will be perfectly agreeable to me to wait until the Senator from Utah can return to the Chamber.

Mr. SHIPSTEAD. Mr. President, I purpose to discuss a question which, as I said in the beginning, has been allowed to lie dormant during this entire session of Congress.

Mr. NORRIS. Mr. President, will not the Senator yield to me to suggest the absence of a quorum?

Mr. SHIPSTEAD. I yield to the Senator for that purpose.

Mr. NORRIS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ball	Ferris	McLean	Sheppard
Bayard	Fess	McNary	Shipstead
Bingham	Fletcher	Mayfield	Shortridge
Borah	Frazier	Means	Simmons
Broussard	Gooding	Moses	Smith
Bursum	Hale	Neely	Smoot
Butler	Harrell	Norbeck	Spencer
Cameron	Harris	Norris	Sterling
Capper	Harrison	Oddie	Swanson
Caraway	Heflin	Overman	Underwood
Copeland	Howell	Pepper	Wadsworth
Couzens	Johnson, Calif.	Phipps	Walsh, Mont.
Curtis	Kendrick	Pittman	Wheeler
Dial	Keyes	Ralston	Willis
Dill	King	Ransdell	
Edwards	McKellar	Reed, Mo.	
Ernst	McKinley	Reed, Pa.	

Mr. BROUSSARD. I was requested to announce that the junior Senator from Iowa [Mr. BROOKHART] is engaged in a committee hearing.

The PRESIDING OFFICER. Sixty-five Senators have answered to their names. There is a quorum present. The Senator from Minnesota will proceed.

Mr. NORRIS. Mr. President, will the Senator from Minnesota yield to permit me to make an announcement and ask to have a document printed in the RECORD?

Mr. SHIPSTEAD. Certainly.

#### AMERICAN COUNCIL OF AGRICULTURE

Mr. NORRIS. Mr. President, last July a great many of the leading national and State organizations connected with agriculture had a meeting in St. Paul, Minn. Out of this meeting they organized an executive committee and called it the American Council of Agriculture. This council of agriculture came down to Washington to appear before the commission appointed by the President to look into the agricultural situation. They are in the city now, and arrangements have been made for them to appear before a joint meeting of the Agricultural Committees of the Senate and House this evening at 7.30, in the

committee room of the Senate Committee on Agriculture and Forestry. I desire to invite all Members of the Senate, regardless of whether they are members of the committee or not, to attend the meeting if they can possibly do so.

While I am on my feet, and with the further permission of the Senator from Minnesota, I ask unanimous consent to have placed in the RECORD a statement made by the American Council of Agriculture to the so-called agricultural conference appointed by the President. I ask unanimous consent to print it in the RECORD together with a statement of the objects of the Council of Agriculture, the letter of transmittal of the president, Mr. Peek, submitting their views to the President's agricultural conference, together with the appendix and the list of names of the national, State, and district organizations which met in St. Paul to organize the American Council of Agriculture.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

EQUALITY FOR AGRICULTURE, DECEMBER, 1924, REPRINT OF RECOMMENDATIONS FOR PLACING AMERICAN AGRICULTURE UPON EQUALITY WITH AMERICAN INDUSTRY AND LABOR UNDER OUR NATIONAL PROTECTIVE POLICY, MADE TO THE AGRICULTURAL CONFERENCE APPOINTED BY PRESIDENT COOLIDGE.

(By the American Council of Agriculture.)

THE AMERICAN COUNCIL OF AGRICULTURE

#### WHAT IT IS

For the purpose of speaking with one voice on the subject of extending the American protective system to include agriculture, the great agricultural organizations and associations of the country have formed a special alliance in the American Council of Agriculture. It is an executive committee of the existing farm organizations.

#### THE NEED WHICH PRODUCED IT

The American farmer has awakened to the fact that he does not command the political influence which is due his numbers and his importance in the Nation. His weakness has been a lack of united leadership. At St. Paul, Minn., July 11 and 12, 1924, definite steps to remedy this were accomplished. The leaders in agriculture were united in the American Council of Agriculture.

#### HOW IT WAS LAUNCHED

Following the defeat of the McNary-Haugen bill in Congress, those who had labored at Washington for its adoption called a conference to determine what steps should be taken to secure "equality for agriculture." The conference was held at St. Paul on July 11 and 12, 1924. It was attended by representatives of 49 farm organizations. It founded the American Council of Agriculture, determined a course of action as expressed in a "Declaration of purpose," adopted a constitution, named officers, and selected an executive committee.

#### THE COURSE OF ACTION

The farmer gets for his products a price which is determined by world conditions. Industry gets for its goods, and labor for its services, a price determined by the tariff and other protective measures. Industry and labor enjoy the so-called American standard which is one of America's proudest boasts. The farmer does not because the tariff has no effect on prices of export agricultural crops. The result is that the farmer sells cheap but is compelled to buy dear. The course of action laid out before the American Council of Agriculture is to work for "equality for agriculture," for a 100-cent dollar for the farmer, by the extension of the protective system to include agriculture on our surplus crops; for equality for agriculture with labor and industry.

#### THE PROGRAM

The American Council of Agriculture hopes to secure, through the committee appointed by President Coolidge, legislation to effect this purpose. It aims to unite the strength of all farmers to this end.

AMERICAN COUNCIL OF AGRICULTURE,

Chicago, Ill., December 17, 1924.

Hon. ROBERT D. CAREY,

Chairman President's Agricultural Conference,

Careyhurst, Wyo.

DEAR MR. CAREY: Following your suggestion, we are mailing you herewith a memorandum in which the American Council of Agriculture sets forth its analysis of certain factors that make for disparity between agriculture and other important interests. We are mailing copies directly to each member of your committee.

We respectfully request that you give very careful consideration to the problem and to the suggested solution outlined in this memorandum and that you urge upon your associates the necessity of reporting upon it to the President, with your recommendations as to

the steps that should be taken at once, not only to relieve agriculture from the price inequality that is inherent in the American protective system in its present stage, but to prevent a recurrence of the recent collapse in prices of our basic agricultural commodities.

The American Council of Agriculture was created by representatives of national and State farm and cooperative marketing organizations for the sole purpose of addressing itself to the problem of securing an American price independent of world price, for the portion required by the domestic market, of any basic farm product of which a surplus must be sold in export. The scope of the council is thus closely limited, but within those limits it desires to offer you and your associates its complete and cordial cooperation.

With best wishes for your success in dealing with the important problem that is before you, we are

Yours very truly,

AMERICAN COUNCIL OF AGRICULTURE,  
By GEORGE N. PEEK, *President*.

PART I. THE AGRICULTURAL SITUATION

I. THE FUNDAMENTAL PROBLEM OF PRICE

The American farmer is chained to a world price level for those great crops like corn, cotton, wheat, and pork of which he produces a normal surplus over domestic requirements. This condition attracted no great degree of attention as long as agricultural and world general price levels retained substantially the same relation with each other that existed while present farming enterprises were being established and developed. It has been thrust into the foreground of national problems following the postwar deflation, when farm prices in the United States followed world farm prices as they returned nearly to pre-war levels, while prices for most goods and services for which the farmers' crops are exchanged were upheld, far above their pre-war position, by industrial and labor organizations, operating behind the effective American protective system created to a large extent by legislative enactments and other governmental activities in recent years.

The war brought about a closer association of industrial interests engaged in kindred lines than the country had known before. Compared in number and geographical distribution with the farmers, industrial enterprises are few and concentrated. They are closely knit by trade associations. Where no such association was in existence prior to the war, it was developed under the encouragement of the Government through such agencies as the War Industries Board, the Food Administration, and the Fuel Administration which found the task of mobilizing the Nation's manufacturing and distributing power simplified when it could deal with an organization of producers and distributors rather than with individuals in any industrial line.

Farm prices that are governed by world prices, and industrial prices and wages that are effectively protected, therefore, are acutely out of line. The sign of this in postwar years has been a farm dollar whose buying power has been cut nearly in half because of the low exchange value of wheat, pork, and beef. Its attendant circumstance of wholesale farmer bankruptcy, farm abandonment, and a rapid depletion of capital invested in farms and farming, representing years, even generations of toil, is too familiar to require extended discussion.

The National Industrial Conference Board, 247 Park Avenue, New York, has recently made known the results of its statistical study showing exchange value per acre to the farmer at the farm of the principal farm commodities for the years 1920, 1921, 1922, and 1923. This study differs from most others measuring the purchasing power of farm products in that it uses retail prices of selected articles required by farmers instead of the more easily quoted wholesale prices; it figures crop value by the acre production rather than the bushel standard; and the price of farm products used is the price to the farmer, rather than terminal market price which includes relatively high freight rates and other factors that have increased rather than diminished since pre-war years.

The following table, taken from those figures, shows the exchange value for the last four years, compared with 1914, on four principal food products, wheat, corn, beef cattle, and hogs:

Food products	1914	1920	1921	1922	1923	Average
Wheat.....	100	54	41	46	41	45
Corn.....	100	56	43	63	69	57
Beef cattle.....	100	60	50	49	48	51
Hogs.....	100	76	59	62	51	62

Four-year average 53.

Agriculture can not long survive such a condition, nor can industry expect anything like a normal business permanently when a large proportion of our population has its purchasing power so seriously reduced.

It is a common mistake to assume that there has been insufficient demand for these commodities since the war; as a matter of fact there has been ample demand both at home and abroad for all that

the farmers of the United States have produced, and at a "dollar" price generally equal to or above prices received before the war. Our exports of corn, pork products, and wheat have been larger in volume since 1920 than they were in pre-war years. (See Table A.) The trouble with the postwar exchange value is not only that farm prices are too low, but that other prices are too high.

It is also a mistake to assume that this postwar exchange value is due wholly to an increased postwar production of basic farm commodities. Such assumption is not supported either by sound economic theory or by the facts respecting farm production. The theory generally accepted—at least up to 1920—was that the greater the exportable surplus of farm products the greater the farmers' contribution to the common good and the Nation's wealth. Our entire national land and agricultural policy has been aimed toward a maximum production from our farms. Increased postwar production did not create the exportable surplus as a new factor in American agriculture; this country has been on an export basis since the Civil War.

II. RELATION OF PRODUCTION TO DOMESTIC DEMAND AND POPULATION

The American Council of Agriculture feels certain that your honorable body will study all facts carefully before placing the stamp of your approval on the too-common view that there is overproduction of the basic food necessities in the United States. It would seem that numbers of our citizens are engaged in disseminating the opinion that production of important food crops and livestock has been expanded and increased out of proportion as a result of the war and its price stimulation. The fact is that production, in comparison with our population, has declined, not increased. The American supplies of wheat, corn, cattle, and swine per capita of population in this country are now and have been for the past 5, 10, and 15 years below those of 20, 30, 40, and, in the case of swine, 50 years ago.

It is unfortunate that many spokesmen for agriculture accept the view that the farmers' troubles come from overproduction and are blind to the fact that production is steadily falling behind population in the United States.

The following figures illustrate this point. They are set forth in greater detail in an appended table:

Wheat: Five-year average production (1920-1924) per capita of population, 7.296 bushels, compared with 7.406 bushels for 1910-1919; 7.441 bushels for 1900-1909; and 7.33 bushels for 1890-1889.

Corn: Five-year average production (1920-1924) per capita of population, 26.108 bushels, compared with 26.112 bushels for 1910-1919; 27.284 bushels for 1900-1909; 27.599 bushels for 1890-1889; and 26.879 bushels for 1880-1889.

Cattle: Five-year average (1920-1924) number per capita of population, 0.3762 head, compared with 0.3762 head for 1910-1919; 0.5119 head for 1900-1909; 0.4408 head for 1890-1889; and 0.5092 head for 1880-1889.

Swine: Five-year average (1920-1924) number per capita of population, 0.5466, compared with 0.6194 for 1910-1919; 0.5729 head for 1900-1909; 0.6029 head for 1890-1889; 0.7085 head for 1880-1889; and 0.5957 head for 1870-1879.

See Table B.

Other than milch cattle.

The existence of an exportable surplus of a vitally important food crop or commodity is not an evil, nor should the aim be to render it nonexistent by acreage reduction. For well over a half century the United States has been on an export basis with wheat, corn, cotton, pork, and other commodities. (See Table A.) No human power can adjust acreage in crop or number of livestock so as to be certain of having no surplus for export on the one hand without inviting national underproduction, possibly famine, on the other. From the consumers' viewpoint, nothing could be more dangerous than to urge deliberate curtailment of the potential supply of the essential food elements. From the national viewpoint, the grave danger in such a policy is best pictured when one asks oneself the question: "What would have happened to the United States and to the Allied Nations in the late war if the agriculture of the Nation previously had been reduced to a domestic basis?" It was the fact that they were then on an export basis that enabled the farmers of the United States to supply quickly to the Allies food that was necessary to carrying on the war.

If the farmers of the United States are not to be reduced to the danger line, with years of hardship, and hundreds of thousands of individual tragedies accompanying the reduction, this country must either speedily abandon its legislated policy of protection so that general prices in America will descend in harmony with farm prices, or there must be devised a new method whereby farmers may dispose of the exportable portion of their crop without having it determine the domestic price. There is no other way for the farmers to secure an American price for the American consumption, independent of the world price for the surplus.

If it were not for the great debt that lies upon the public in general and on agriculture in particular, public policy might point the way toward equality for agriculture by bringing all prices and wages down

to the pre-war levels. The theory is advanced that this could be speeded by removal of the various forms of protection afforded labor and industry under our laws. But this debt should be paid off with a dollar as nearly equal as possible in purchasing and debt-paying value to the dollar of the period when the debt was contracted. The council believes that the wise solution is to include the farmer in the American protective system along with industry, labor, transportation, and finance; to level him up rather than to seek to level the others down.

### III. THE THEORY OF THE AMERICAN TARIFF

The basic principle of the American protective tariff is to "equalize differences in costs of production in the United States \* \* \* and in competing foreign countries." (Tariff act of 1922.) This has been successful in protecting and expanding industry, to nurture which our laws have been aimed since the first tariff act was passed on July 4, 1789.

The United States reached and passed a significant milestone since the outbreak of the World War in 1914, when industry and labor secured further legislation for their benefit which resulted in a great disadvantage to agriculture. Not for the benefit of a class, but for our national good, it is now time to establish a definite policy of effective protection for agriculture, or else to remove from agriculture the subsidy assessed against it for the benefit of other groups. The cornerstone of our social structure, and the bulwark of our national institutions are formed of the home-owning, independent, and contented farmers. It is time to challenge the wisdom of a system that not only does not encourage an independent and contented agriculture, but is actually threatening to destroy it. Such a system is inequitable from the standpoint of agriculture, but even more than that, it is wrong as a national economic and social policy.

The whole protective structure in the United States enhances farm production costs above those in lands whose products, sold in the world market, definitely establish the price at which the American farmer is compelled to sell in his own domestic market.

### IV. THE WEAK LINK IN THE SYSTEM

For those great crops of which we produce a normal surplus above domestic needs, the mere writing of a schedule in the tariff law does not tend "to equalize differences in costs of production at home and in competing foreign countries." No one now seriously questions that the price at which the surplus sells in export, establishes the price on the home market, regardless of what the tariff law may provide, unless there is some means of disposing of that surplus abroad in such manner as to maintain an American price behind the protective tariff wall.

To use a familiar illustration with wheat, it is apparent that no grain firm or wheat-marketing association in the United States, as long as approximately 1 bushel in 5 has to be disposed of on the export market, can sell under existing conditions, even for home consumption, for a price higher than that fifth bushel can be sold for abroad. If the wheat price at Liverpool sets an export price of \$1.25 a bushel at American ports, the domestic price of wheat throughout the United States will be based on \$1.25 a bushel on the Atlantic seacoast. The price will be about the same in Canada, regardless of the fact that we have a 42-cent tariff on wheat, expressly intended to protect the American farmer in his home market by equalizing differences in cost of production between his operations and those of his foreign competitor. It can be no different as long as the problem of the "fifth bushel" remains undisposed of.

It is true that this year witnesses an improvement in the wheat situation, but it would be sheer folly to consider this a permanent change due to fundamentally new conditions.

"The Agricultural Situation," issued monthly by the Bureau of Agricultural Economics of the United States Department of Agriculture, said on November 1, 1924:

"The wheat situation represents an almost spectacular combination of circumstances. We alone have a good wheat crop while the consuming world is short of bread grains. But to regard this year's situation as representing any lasting alignment of supply and demand is to mismeasure the forces on both sides. It is one of those lucky accidents that sometimes happens once."

As having direct bearing on the problem of the surplus farm crops, the council takes the liberty of quoting from the resolutions adopted by the National Association of Commissioners, Secretaries, and Departments of Agriculture at their meeting on December 2, 1924:

"The protective principle affects only those farm crops of which we produce less than we consume, examples of which are wool, flax, and sugar. In the case of those crops of which there is an exportable surplus, the case is quite different. The price of the exportable surplus is fixed by world-wide competition and is unaffected by a so-called protective tariff. The price level of exportable surplus in turn determines the price level of all that portion of the commodity required for domestic consumption. It is apparent, therefore, that the producer of these farm crops

having a surplus available for export, sells at price levels determined by world-wide competition, but buys in a market restricted by the operation of the protective principles. Examples are: Wheat, corn, pork, and, to some extent, dairy products."

The association which unanimously adopted the resolutions from which the above is quoted is composed of the executives of the State departments of agriculture in 44 States of the Union, men in closest touch with the agricultural problems and needs of their several States.

It is the plain duty of anyone representing agriculture and of any official body charged with present responsibility of leadership in working out a solution of the tremendous economic problem of the farmers to give immediate study and counsel as to steps that may be taken to prevent a recurrence of the situation that has surrounded the wheat farmer since 1920, and which still affects with deadening adversity the condition of certain other parts of our farm citizenship.

### V. CONSIDERATION OF ALTERNATIVE PROPOSALS

It becomes necessary to examine important recommendations that have wide popular support and that aim toward correction of the conditions that have been described. These are:

1. That crop production be adjusted to domestic demand so that there will be no surplus for export, or
2. That farmers by voluntary cooperative action organize to dispose of the surplus and thus maintain an American price with the aid of the protective tariff.

In support of the first recommendation it has been argued that since the surplus is such a troublesome and costly part of the Nation's crop farmers should reduce their acreages so that there would be no surplus. One need only consult comparative tables showing acreages and yields of two important crops—wheat and cotton—for recent years to realize how fantastic and impossible such a proposal is from the practical standpoint. From the point of view of national welfare it would prove dangerous.

In 1924 our national wheat acreage was 4,490,000 acres below that of 1923, but our estimated wheat yield was 70,000,000 bushels greater than in 1923, figures being: 1923, 58,308,000 acres, yielding 786,000,000 bushels; 1924, 53,818,000 acres, yielding 856,000,000 bushels. The 1924 wheat acreage in the United States was but 1,500,000 acres greater than in 1916, but our yield was 220,000,000 bushels greater in 1924. Our wheat acreage in 1923 was 2,000,000 acres less than the acreage in 1915, but the 1915 yield was 240,000,000 bushels greater than that of 1923.

In 1923 the South, with cotton harvested from 37,420,000 acres, reached its maximum acreage in all history, but picked only 10,281,000 bales. Compare that with the year 1914 when 36,832,000 acres—588,000 acres less than in 1923—yielded 16,135,000 bales, 5,854,000 bales more than in 1923. (P. 796, United States Department of Agriculture Yearbook, 1923.)

The summary of the pig surveys conducted by the United States Department of Agriculture for 1922 and 1923 shows a fluctuation in average number of pigs per litter of 20 per cent in the fall pig crops of those years. (P. 948-49, United States Department of Agriculture Yearbook, 1923.)

No human agency can adjust acreage or number of these great commodities and, except by accident, arrive at or anywhere near the desired mark in production. No human agency should attempt to. The one attempting it would be faced with the necessity of suggesting substitute crops to utilize the acres thus vacated. The difficulty of this is apparent. It is noteworthy that those ardent advocates who in 1923 would have turned the wheat farmers into commercial producers of butterfat, are now silent in the face of existing conditions in the dairy industry.

Even if it were possible for farmers through voluntary organization to make a nice adjustment of acreage to the estimated domestic demand, there is no possible way of forecasting to what extent drouth and flood, hail and freeze, insects and disease—all these and others beyond the farmers' powers to foresee and control—would thwart such calculations.

The great task is to deal with this normal surplus so as to preserve the home market for American producers at an American price that does equalize differences in production costs between farmers of this and competing countries. Those without experience in trying to accomplish this say: "Let the farmers organize cooperatively to do this thing." Undoubtedly, if this were practical, it would be the very remedy sought for. Cooperative organization has done great good for agriculture in this and other countries, and in years to come is destined to accomplish vastly more. The opportunity for cooperatives to demonstrate their worth by helping farmers secure a fair price for their products would be immensely increased if the question of the disposal of the surplus were itself disposed of otherwise. But to maintain a domestic price above world levels and at the same time dispose of a substantial surplus at the world price, is a task which cooperative organizations of farmers alone can not do, and which, if attempted by them, would destroy them.

To illustrate again in the case of wheat: By the use of the imagination it is possible to conceive of 75 per cent of the 2,000,000 farmers growing wheat organized in one cooperative marketing association. Its task is to sustain a domestic price above world levels behind a tariff wall. To do this it must sell from 150,000,000 to 200,000,000 bushels of wheat abroad at the world price for which it pays its members the protected domestic price.

The existing tariff on wheat is 42 cents per bushel. To complete the illustration, assume that the domestic price is 40 cents a bushel above the world price, held there by the activities of the cooperative association, which is taking the surplus out of the country and selling it at a loss of 40 cents a bushel. This loss, which would amount to from \$60,000,000 to \$80,000,000 in the present illustration, would have to be assessed back on the membership of the association, who would even then be receiving more net per bushel for their wheat than they would have received without the corporation. But the difficulty lies in the fact that the 25 per cent of the wheat growers outside the cooperative association, also receiving full benefits from the protected domestic price, do not have any of the assessment to pay. Consequently the outsiders would receive substantially a higher price than the members of the association. The members, realizing this, would prefer to become outsiders themselves, and the cooperative association would then speedily enter the process of dissolution.

On the other hand, if it were possible for the cooperative association to dispose of the surplus and compel all who marketed their wheat to pay their pro rata share of the costs and losses involved in dealing with the surplus, regardless of their voluntary attitude toward the association, then success might be attained. Or if some one outside the cooperative association attended to thus disposing of the surplus, cooperative associations would be powerful factors in the domestic market and should be able to assist materially in obtaining a fair price in the American market for the American producers.

#### PART II. THE REMEDY

##### I. TWO IMPORTANT AGENCIES ARE NEEDED

With the preliminary discussion contained in Part I, the American Council of Agriculture desires respectfully to state its position and make its recommendations to those charged by the President of the United States with the responsibility of advising him, and through him the Congress of the United States, on steps to be taken on behalf of agriculture.

The council represents that there are two agencies required to deal with the existing and confronting situation:

1. A workable device to divert the surplus, the expense of which would be borne by all the producers intrinsically benefited.
2. Cooperative associations of producers which would be effective, with the problem of the surplus removed, in sustaining and stabilizing the domestic price back of the tariff wall.

Both of these factors are essential. Each supplements the other. But since the American Council of Agriculture was established for the sole purpose of promoting equality for agriculture by addressing the problem of the disposal of the surplus, its recommendations made here-with are confined to that end.

##### II. THREE YEARS OF RESEARCH—ITS RESULT

Almost three years ago the late Henry C. Wallace, Secretary of Agriculture from March 4, 1921, until his death, caused to be started a careful and thorough study of the agricultural situation in the United States which during his term of office reached a state of crisis. During three years Secretary Wallace had at his service what is probably the greatest organization of agricultural experts, students, and workers in the world. This council, therefore, respectfully submits that the recommendations of the late Secretary, founded upon organization research covering three years, might well be made the starting point of any present study of the same problems.

In his special report on the wheat situation to President Coolidge, dated November 30, 1923, the then Secretary of Agriculture said:

"Inasmuch as the first step looking toward increasing the domestic price requires the disposition of the surplus over and above domestic needs, \* \* \* the suggestion that the Government set up an export corporation to aid in the disposition of this surplus is worthy of the most careful consideration. Such a corporation necessarily would need rather broad powers. It would not be necessary that it should undertake to handle the entire crop, and it could probably carry on its activities in cooperation with existing private agencies. If it should be found necessary to arrange for the sale of the surplus exported at a price much lower than the domestic price the loss so incurred would properly be distributed over the entire crop."

In his general report to President Coolidge, made at about the same time, referring to the same project, Secretary Wallace said:

"While the plan proposed could be applied more easily to wheat than to some other agricultural products, obviously, if favorably considered, it should not be confined to dealing in wheat alone. It should include all agricultural products of which we have a con-

siderable exportable surplus and the prices of which are substantially out of line. Especially should provision be made for handling pork products, of which we export large quantities and which also were brought under Government control during the war."

#### III. OUTLINE OF SUGGESTED LEGISLATION

The object of the plan suggested in this outline is to create a farmers' export corporation in the most direct and simple manner consistent with the preservation of the features necessary for successful action.

These are:

1. Power to divert a surplus above domestic needs to the world market, so that cooperative marketing associations, assisted by the buying activities of the farmers' export corporation, may be able to make the protective tariff effective in equalizing differences in costs of production of major farm commodities in the United States and in competing foreign countries.

2. Adequate working capital.

3. Power to collect from each unit of each commodity handled in this manner, as it moves in trade, an amount sufficient to prevent impairment of working capital.

4. A protective tariff.

The above powers should be granted in as simple a measure as possible. It would seem to fall into three parts, as follows:

Part I. Creation of a farmers' export corporation of 15 individuals, the Secretary of the Treasury, the Secretary of Agriculture, and the Secretary of Commerce to represent the general public interest; and 12 individuals appointed by the President, one from each of the 12 Federal land bank districts, from nominations made in each district by bona fide farm organizations. The life of the corporation to extend to June 30, 1930.

Such funds as may be needed to be advanced possibly from the funds of the War Finance Corporation, returnable out of the equalization fees described in Part II.

The 15 incorporators would make up the board of directors, with power to organize a smaller executive committee from the appointed members, to hire administrative officers, and otherwise to exercise the powers of a corporation. Directors would receive a per diem and expenses while attending meetings.

Part II. Broad grant of general and special powers to the corporation to buy and sell, or to contract with others to buy and sell, farm commodities, lease and operate storage and processing facilities, and exercise all functions necessary and proper to its purpose, which is to segregate the surplus of a farm commodity above domestic requirements and hold it or dispose of it at world price levels. Powers would include authority to operate with a premium or bounty on exports if desired.

This part of the bill would provide for the collection of equalization fees and the apportionment of expenses and losses in export sales out of equalization funds.

Part III. Miscellaneous provisions, including power of restriction of imports by proclamation of the President; utilization of services of Government agencies in collection of equalization fees, and in other ways; penalty clauses, and declaration of separability of sections of bill in event any one should be found unconstitutional.

#### IV. BRIEF OF EXPLANATORY ARGUMENT

The above powers were all included in the McNary-Haugen bill, which was before Congress last winter, but there were other features in that bill to which serious objections were raised, which the council suggests might be omitted from a bill drawn on simpler lines but which still maintains powers ample for an effective farmers' export corporation.

The suggested plan would simply make existing tariff schedules under the Fordney-McCumber tariff law of 1922 effective on those crops and agricultural commodities of which a surplus above domestic requirements is produced. This would eliminate two features of the McNary-Haugen bill which aroused strong opposition—the ratio price and the powers conferred upon the President to fix tariff rates at will.

The assumption underlying American protective tariff law is that duties shall be levied sufficient to equalize differences between cost of production at home and abroad. The McNary-Haugen bill sought to base agricultural tariffs somewhat differently by having the President fix rates that would protect a domestic price level that fluctuated, not in harmony with the world level but with the general price level in this country as measured by the all-commodity index.

The plan suggested now would, when made effective, permit the maintenance of a domestic price level that fluctuates in harmony with the world price level, but approximately the height of the tariff wall above it.

Under the McNary-Haugen bill the corporation was compelled to buy at the "ratio price," which was mathematically fixed in relation to the all-commodity index, giving the occasion for opposition to the bill as "price fixing." The proposed plan would have the corporation go into the market to buy up and divert the surplus at whatever prices prevail, but get it out of the way so that domestic prices could rise to the height of the tariff wall or be forced there by the activities of the export corporation. Not even the most active opponent of legislation

providing equality for agriculture could think of the plan herein suggested as "fixing" prices.

Under the proposed plan it would not be necessary to introduce any new tariff principle in the measure. This would take away the ground for much of the opposition of the Tariff Commission and of those who objected to the powers conferred upon the President to fix tariff schedules at will. The Fordney-McCumber law fixes tariff rates on most agricultural commodities and gives the President power to increase them by one-half upon a showing that existing rates do not equalize differences of cost of production in the principal competing country and in the United States. It is proposed in this plan to take advantage of this existing tariff law, making it effective through the export corporation, without introducing any new tariff principle.

Every care should be taken to set the new agency up as a farmers' export corporation, limiting the Government participation to the bare minimum necessary to a comprehensive grant of powers.

The council, through its legislative committee, will shortly submit to your honorable body for consideration a preliminary draft of a bill designed to set up such a farmers' export corporation.

Respectfully submitted.

AMERICAN COUNCIL OF AGRICULTURE

CHICAGO, ILL., December 21, 1924.

APPENDIX

TABLE A

Average net exports and average price by periods 1870-1923, of wheat, corn, and swine.

TABLE B

Average production per capita of total population by decades 1870-1924, of wheat, corn, milk cattle, cattle other than milk cattle, and swine.

TABLE A—Average net exports and average price at farms by periods<sup>1</sup>

WHEAT

Period	Average net exports per annum	Farm value
	<i>Bushels</i>	<i>Cents</i>
1870-1879	81,917,277	99.4
1880-1889	126,218,314	83.4
1890-1899	171,588,531	65.1
1900-1909	14,954,264	76.7
1910-1914	152,198,991	86.0
1915-1920	209,183,866	169.3
1921-1923	208,037,522	95.2

<sup>1</sup> Based upon tables of U. S. Department of Agriculture 1923 Yearbook, pp. 602, 662, and 968.

CORN

Period	Average net exports per annum	Farm value
	<i>Bushels</i>	<i>Cents</i>
1870-1879	55,021,595	40.5
1880-1889	58,655,127	40.5
1890-1899	113,315,367	34.0
1900-1909	73,321,266	47.1
1910-1914	39,272,878	58.4
1915-1920	39,390,912	102.0
1921-1923	137,913,707	60.2

<sup>1</sup> Two years, 1921-22.

SWINE<sup>1</sup>

Period	Average exports per annum	Farm value per head
	<i>Pounds</i>	<i>Cents</i>
1870-1879		4.62
1880-1889		5.19
1890-1899		4.83
1900-1909		5.50
1910-1914	911,386,000	9.36
1915-1920	1,703,731,000	16.77
1921-1923	1,610,487,000	11.10

<sup>1</sup> Gross exports of fresh pork and pork products—does not include exports of live hogs.

Census	Population
1879	50,155,783
1889	62,947,714
1899	75,914,575
1909	91,972,266
1919	105,710,620
1924	112,579,797

Estimated population 1924, based on assumption that population increase 1919-1924 (5 years) was one-half the increase of 1909-1919 (10 years).

TABLE B—Production per capita by decades<sup>1</sup>

Decade	Average production of wheat per year	Per capita production
	<i>Bushels</i>	<i>Bushels</i>
1870-1879	317,166,300	6.32
1880-1889	444,077,600	7.215
1890-1899	556,694,300	7.33
1900-1909	684,363,300	7.441
1910-1919	782,931,400	7.406
1920-1924	831,454,000	7.296

<sup>1</sup> Based upon tables of U. S. Department of Agriculture 1923 Yearbook, pp. 602, 662, 879, and 945.

Decade	Average production of corn per year	Per capita production
	<i>Bushels</i>	<i>Bushels</i>
1870-1879	1,212,013,100	24.165
1880-1889	1,692,018,700	27.879
1890-1899	1,995,190,500	27.599
1900-1909	2,508,970,300	27.284
1910-1919	2,760,320,600	26.112
1920-1924	2,939,313,600	26.108

Decade	Milk cattle on farms in United States (average number)	Milk cattle per capita of population
1870-1879	10,692,200	0.213
1880-1889	13,686,800	.217
1890-1899	16,227,600	.228
1900-1909	18,644,000	.2021
1910-1919	21,643,000	.2047
1920-1924	24,102,000	.21498

Decade	Other than milk cattle on farms in United States (average number)	Other than milk cattle per capita of population
1870-1879	17,180,400	0.3425
1880-1889	32,655,700	.5092
1890-1899	33,467,600	.4408
1900-1909	47,085,700	.5119
1910-1919	39,776,700	.3762
1920-1924	42,459,400	.3782

Decade	Swine on farms in United States (average number)	Swine per capita of population
1870-1879	29,877,600	0.5957
1880-1889	44,602,000	.7085
1890-1899	45,775,500	.6029
1900-1909	52,693,000	.5729
1910-1919	65,477,600	.6194
1920-1924	61,539,000	.5466

ORGANIZATIONS PARTICIPATING IN AGRICULTURAL CONFERENCE HELD AT ST. PAUL, MINN., JULY 11 AND 12, 1924, AND CONSTITUTING THE AMERICAN COUNCIL OF AGRICULTURE

National Organizations: American Farm Bureau Federation, American Wheat Growers Associated (Inc.), Farmers' Educational and Co-operative Union of America, National Cooperative Milk Producers' Federation, National Grange, National Livestock Producers' Association, National Producers' Alliance.

State or interstate organizations: Colorado Wheat Growers' Association, Corn Belt Meat Producers' Association, Corn Growers' Association, Equity Cooperative Exchange, Equity Union Marketing Association, executive committee for promotion of McNary-Haugen bill, Indiana Farm Bureau Federation, Indiana Wheat Pool, Illinois Agricultural Association, Iowa Farm Bureau Federation, Iowa State Grange, Minnesota Export Commission League, Minnesota Farm Bureau Federation, Minnesota Wheat Growers' Cooperative Marketing Association, Missouri Farmers' Association, Missouri Farm Bureau Federation, Montana State Farm Bureau Federation, Montana Wheat Growers' Association, Nebraska committee for promotion of McNary-Haugen bill, Nebraska Farm Bureau Federation, North Dakota Wheat Growers' Association,

North Dakota Farm Conference Committee, Oklahoma Farmers' Union, Oklahoma Wheat Growers, Oregon Cooperative Grain Growers' Association, Oregon Farmers' Union, South Dakota Export League, South Dakota Wheat Growers' Association, Washington Export Commission League, Washington Wheat Growers' Association.

County and district organizations: Clarkfield Farmers' Elevator Association (Minn.), Fairbault County Farm Bureau (Minn.), Farmers' Association of Pennington County (Minn.), Farmers' Elevator Co. of Avoca (Minn.), Hardin County Farm Bureau (Iowa), Henry County Farm Bureau (Ill.), Henderson County Farm Bureau (Ill.), Humboldt County Farm Bureau (Iowa), Juab County Farm Bureau (Utah), Kosuth County Farm Bureau (Iowa), Marshall-Putnam County Farm Bureau (Ill.), McLean County Farm Bureau (Ill.), Plymouth County Farm Bureau (Iowa), Redwood County Farm Bureau (Minn.), Rock County Farm Association (Minn.), Rock Island County Farm Bureau (Ill.), Richland County Farmers' Alliance (N. Dak.), Traverse County Farm Bureau (Minn.), Vermillion County Farm Bureau (Ill.), Woodbury County Farm Bureau (Iowa), Yellow Medicine County Farm Bureau (Minn.).

#### STOCK INFLATION VERSUS PROSPERITY

Mr. SHIPSTEAD. Mr. President, a few moments ago I called attention to the fact that Congress will adjourn within a very few weeks and I now desire to say that at this session of Congress to the best of my knowledge there has been no economic legislation enacted with the exception of the action taken on the question of Muscle Shoals and that is still before the Congress. I have just completed a survey of the present condition of commerce, business, and transportation in the United States. It was undertaken for my own information. The result of that survey was to me so amazing that I felt it my duty to call it to the attention of the Senate for fear that Senators have been led to believe, as I had partially been led to believe, the newspaper stories to the effect that the so-called prosperity of the United States was in the ascendancy.

I make this announcement of the survey with a great deal of reluctance. In many respects I have been disappointed. It affects the woof and warp of our social and commercial life. As I have taken occasion before to call to the attention of the Senate certain phases of the rise and fall of the business index and price index and the influence upon the price index and business condition of the country of the manipulation of money and credit, very often in cooperation with the Secretary of the Treasury. I find in that another reason why I should call the attention of the Senate to the result of the survey I have made. It affects the agricultural and business life of the Nation.

We have had an Agricultural Department of the Government in operation for something like almost half a century. We have had in practically every State in the Union an agricultural college whose purposes have been to study the condition of agriculture.

Congress at various times has conducted investigations into the condition of agriculture. The Department of Agriculture has had various departments for research and has had county agents in almost every county in the United States. After these 30 or 40 or 50 years of investigation into the question of agriculture we came to the conclusion last summer that we did not know anything about it, and so the President decided to appoint a commission whose occupation was said to be the study of agricultural conditions. I have always held that the question of the study of agriculture can not be made on a scientific basis unless it is studied in relation to the other business structure of the country.

Within the last two months we have had a very interesting phenomena upon the New York Stock Exchange market. A study of the discount and credit situation in the last six months has been a very interesting study, and particularly so when we view the period of 1920 and 1921 as a background. At that time it will be remembered we had a tremendous shrinkage in commodity values and stock and bond values.

Coupled with that situation we had at that time a constant increase in the rediscount rate and a constant shutting off of credit to legitimate business and a constant increase of credit to the speculative interests where bonds and stocks are sold. As a result of that restriction of money and credit and the rise in the discount rate we had a shrinkage of value all over the country, the total of which has been estimated by various reputable sources as going into the billions of dollars.

Now we have apparently an opposite operation taking place. This also was apparently in cooperation with the operations of the Secretary of the Treasury and the Federal reserve banking system.

The New York Stock Exchange has been enjoying the greatest orgy of stock sales in its history. Under the stimu-

lus of 2 per cent "call money," aided by the Treasury and Federal Reserve Board, the volume of stock sales has doubled and now reaches a daily average of 2,000,000 shares.

The price inflation on leading stocks averages 25 per cent of par value. The aggregate volume of inflation of only 200 leading shares, or about one-fourth of the New York Exchange stock list, was \$3,000,000,000 during the six weeks ending December 15 last. The total inflation for all stocks listed during the 60 days ending December 31 will not be less than \$6,000,000,000.

The usual "call loan" rate during November and December since the Federal reserve act was first passed by Congress is around 5 per cent to 6 per cent. The average November "call" rate for the five years 1919-1923 was 5½ per cent. But it was deemed necessary by the powers that be to give the country an object lesson in "prosperity" following the fall election. So, instead of 5½ per cent "call" money as the usual November rate for the former five years, it was decided by those in Treasury control to take off the lid and reduce the "call" rate to the 2 per cent minimum, as in the good old days before the Government tried to check the flow of the country's bank reserves to Wall Street stock gambling.

It seemed to be the case of the end justifying the means. All pretext of restraining stock gambling by Federal reserve control was thrown to the winds. So we have 2 per cent to 3 per cent "call" money back at the old stand, a daily stock sale of 2,000,000 shares, and an inflation of 25 per cent, netting \$6,000,000,000 of paper profits to the faithful.

I call to your attention that the farm loans of the country have not responded to this low money rate in Wall Street.

The average layman reading newspaper headlines and the story of the stock boom might naturally conclude that the country was indeed enjoying an era of unusual industrial prosperity. But when we come to read the data beneath the scare heads and compare 1924 with 1923 and previous years, we find only a gilded mirage. October, 1924, indeed shows gains, but over what? Over the low point of the summer of 1924. The October gains are only seasonal and are less than in previous years.

I would not venture to throw a wet blanket over the advertised "prosperity" produced by the stock exchange, if I did not have before me the December Federal Reserve Bulletin, of which Hon. A. W. Mellon, Secretary of the Treasury and chairman of the Federal Reserve Board, is editor in chief. All data on the subject of the country's industrial prosperity that I have to offer at this time are derived from that fountain authority—which no one will deny is ex cathedra. If the following industrial data, therefore, are looked upon as pessimistic and as showing that the stock market boom is artificially manufactured and without industrial foundation, you will have to lay the official blame upon the author of the data—Hon. Andrew W. Mellon, chairman of the Federal Reserve Board and likewise the official chiefly responsible for 2 per cent and 3 per cent "call" loans.

Following economic custom in seeking an index of industrial prosperity, we first take the iron and steel industry. Page 953 of the Federal Reserve Bulletin for December sets up in parallel columns the leading items of iron and steel activity for October, 1924, compared with October, 1923. Against these items I append the percentage of 1924 shrinkage.

Commodity movements	October, 1924	October, 1923	1924 decrease
Iron-ore shipments at Lake Superior (long tons).....	5,597,000	8,100,000	44½
Pig-iron production (long tons).....	2,477,000	3,149,000	27
Steel-ingot production (tons).....	3,111,000	3,577,000	15
Unfilled orders, United States Steel Corporation (long tons).....	3,525,000	4,673,000	32½

I might say that the percentages of decrease which I have just cited are for the month of October, 1924, as compared to the month of October, 1923.

Mr. NORRIS. Mr. President, may I interrupt the Senator? The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. SHIPSTEAD. Yes.

Mr. NORRIS. The percentages the Senator is citing, as I understand him, are of decreases for a year?

Mr. SHIPSTEAD. No.

Mr. NORRIS. Are they decreases merely for one month?

Mr. SHIPSTEAD. They are the percentages of decrease for the month of October, 1924, over the month of October, 1923.

Mr. NORRIS. Why did the Senator select October? Can he give us the percentages for the entire year?

Mr. SHIPSTEAD. Yes; I shall do so later.

Mr. NORRIS. Very well.

Mr. SHIPSTEAD. I will say to the Senator that I quote the percentages for October at this time because they appear not in the last but in next to the last issue of the official Federal Reserve Bulletin.

Mr. NORRIS. It seems to me that statistics covering the whole year would be much more reliable than statistics covering only one month. There might have been some particular reason for the difference in the case of one month.

Mr. SHIPSTEAD. I give the percentages for October because the stock boom started during the month of October and was carried on through November and subsequently; and I desired to show the actual business conditions in the basic industries of the country in the months of October, November, and December. Later I shall give the percentages for an entire year, if the Senator will bear with me.

Thus we find that iron and steel activity was approximately 25 per cent lower for October, 1924, than for the same month a year before; United States Steel Corporation unfilled orders were 32½ per cent below the level of the year before and production lighter, and yet United States Steel common, under the spur of 2 per cent call money, has gone up from 94 in the summer to 124 a few days ago. I did not see the stock-market report this morning, and so I can not quote the market value of steel common stock for to-day; but there has been an inflation of 30 per cent on \$500,000,000 of listed common stock. The increase in its paper prosperity, therefore, approximates \$150,000,000 on its common stock alone.

On page 951 of the Federal Reserve Bulletin we find that pig-iron production for September and October, 1924, averaged 33 per cent below the 1923 level for the same months and that steel-ingot production was 17 per cent lower. Moreover, we find that total iron and steel production for September and October, 1924, was only 77 per cent of the production for the same months in 1919, five years before.

Turning to the editorial text of the Federal Reserve Bulletin, page 916, we find the following editorial statement:

The October figure (for pig-iron production) is below that of the same month of both 1923 and 1922 and is 36 per cent less than the 1923 high point. Only 45 per cent of the total number of blast furnaces in the country were active at the end of October.

I wish to emphasize the fact that at the end of October when the boom began in United States Steel stock only 45 per cent of the blast furnaces of the country were operating.

Steel ingot daily average output has increased from 71,901 tons in July to 115,239 tons in October, which is over 25 per cent below the 1923 maximum. Shipments of iron from the Great Lakes were small in October, as they have been throughout the year.

It is therefore plain, from the data of the Federal Reserve Board, of which the esteemed Secretary of the Treasury is official head, that the inflation of steel stocks was without industrial foundation and purely a stock-gambling move.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. SHIPSTEAD. I yield.

Mr. NORRIS. I think I follow the Senator's argument, and I am not trying to detract from it, but I should like to ask him whether there might not have been a reason for the increase in the price of stocks other than production? It sometimes happens that there is greater profit in small production than in large production. Has the Senator any figures to show the profits of those corporations whose stock has been going up, and would it not follow that one reason for the increase in the value of the stock would be the profit that such corporations were making more than the volume of business they were doing?

Mr. SHIPSTEAD. Of course what their actual profits are we can not tell, but usually a large industrial organization depends for its profits on a large percentage of activity.

Mr. NORRIS. Yes; I think that is right.

Mr. SHIPSTEAD. For instance, when the blast furnaces of the country are only operated to 45 per cent capacity it seems to me it would be unreasonable to assume that the iron and steel industry would be making large profits. I will say, however, that I believe the United States Steel Corporation has a large surplus. The inflation of 30 per cent—amounting to a gain of \$150,000,000 on United States Steel common—went hand in hand with a shrinkage of 25 per cent to 30 per cent in the industrial activity and actual prosperity. Though only—

45 per cent of the total number of blast furnaces in the country were active—

And though the iron ore shipment from the Great Lakes was small—

throughout the year—

And I am quoting from the Federal Reserve Bulletin when I say that the iron-ore shipment from the Great Lakes was small throughout the year—

all that was necessary to produce stock market "prosperity" was abundance of 2 per cent "call money" authorized by the Federal Reserve Board and the Treasury.

Although the iron and steel industry is the time-honored index of industrial prosperity, and accurately tells the story, let us consider the conditions of a few other leading industries—always using as our guide the excellent bulletin edited by Hon. Andrew W. Mellon, chairman of the Federal Reserve Board.

Every item of the lumber industry showed a decline for October, 1924, compared with October, 1923. Reports from the National Lumber Manufacturers' Association, the Southern Pine Association, and the West Coast Lumbermen's Association alike reported decline in number of mills operating, production, and shipments. Receipts of naval stores, turpentine, and rosin alike fell off.

Coal, both bituminous and anthracite, showed reduced production. Beehive coke production fell off 50 per cent. Crude petroleum production dropped, and 80 fewer wells were in operation, although the refined product increased.

I may add that the bulletin issued by the Federal Reserve Board last Saturday shows a slight increase in oil production. In the cotton industry there was a shrinkage in American spinners' takings, in stocks at mills, and in consumption at mills, as well as in number of active spindles. In the woolen industry there was a decline in percentage of active looms, cards, and spindles, although a slight gain reported for wool consumed. But the great increase in textile activity was in silk—silk consumption, silk stocks, and silk imports showing gains approximating 40 per cent. I may say that in last week's bulletin that item showed a great decrease over October. The silk industry, showing the highest percentage of gain in the entire industrial list, evidently looked forward to the heyday of the silk-shirt and silk-stocking crowd.

Mr. NORRIS. Mr. President, the Senator has been reading from the Federal Reserve Bulletin?

Mr. SHIPSTEAD. From the bulletin issued on December 15.

Mr. NORRIS. What I wanted to know was whether what the Senator has just read was a quotation from the bulletin?

Mr. SHIPSTEAD. It was.

Mr. NORRIS. When it speaks of reductions and increases, and so forth, has that reference to the entire year?

Mr. SHIPSTEAD. No; not what I have read. I am confining myself at the present time in my argument to the period during which we have had this tremendous rise in stocks and stock values. I will cover the year later.

Mr. NORRIS. I meant, when the Senator would say, for instance, there is a tremendous increase or a decrease in this or that, does that mean for the year?

Mr. SHIPSTEAD. That means for the months of October, November, and up to December 15.

Mr. NORRIS. Very well.

Mr. SHIPSTEAD. In hides, leather, and shoes for the pedestrian population of the country there was general decline down the line. Stocks of cattle hides, calf and kip skins, goat and kid skins, sheep and lamb skins alike shrunk, in the aggregate, about 20 per cent below last year's level. Sole-leather production, stocks in process, and tanner's finished stocks fell off, on the whole, about 30 per cent. Upper leather declined in somewhat less degree. Men's, boys', and children's shoes showed smaller production, while women's shoes showed increased production—doubtless to meet new campaign requirements.

Production of automobile passenger cars fell off from 334,244 in October, 1923, to 257,839 in October, 1924—a shrinkage of nearly one-fourth. Railway shipments of automobiles fell off 10,000 carloads. Tires and tubes, however, showed a normal gain to meet campaign wear and tear.

There were 310 locomotives built in October, 1923, against only 96 in October last, and unfilled locomotive orders fell off over 50 per cent. Gross tonnage of vessel construction dropped one-third. In railway revenue freight there was a marked gain in grain products but a decline in livestock, coal, coke, forest products, and ore. There was a marked increase in freight-car surplus and bad-order cars, and a shrinkage in freight-car shortage. Commerce of the Soo Canal fell off for

October, as compared with the same month the year before, 2,675,000 tons, or 20 per cent.

Building permits issued in 168 cities were somewhat lighter in both number and value of improvements. Building construction, in square feet, dropped from 54,258,000 in October, 1923, to 47,390,000 in October last, and was general in residential, industrial, educational, and public buildings, though there was an increase in business buildings.

An exception to the general industrial decline must be noted in the newspaper, magazine, paper, and pulp industries, which naturally find expansion in campaign years.

But the industrial table which tells the story—not only for October but for the five-month period of June to October, and for all industries—is that found on page 908 of Editor Mellon's instructive bulletin. Here we have the basic production of the entire country set up in expert numerical indexes. Under the head of "Business indexes of the Federal Reserve Board," we have the whole industrial tale in a nutshell by comparative months—1924 against 1923—which tells us at once if the 1924 industrial-stock boom had a genuine industrial foundation. I add to Editor Mellon's figures only one column—that of the 1924 shrinkage.

Here I have the percentage for the five-month period from June until October. The Senator from Nebraska inquired how long a time these figures covered.

Business indexes of the Federal Reserve Board  
PRODUCTION IN BASIC INDUSTRIES

Month	1923	1924	1924 shrinkage
June.....	122	94	38
July.....	121	94	37
August.....	120	94	36
September.....	114	103	11
October.....	118	109	9
5 months average.....	119	98	21

In the five months ending October, 1924, immediately preceding the stock-market boom, the basic production in all lines of industry in the United States was 21 per cent smaller than during the same period the year before. This on the authority of the honorable Secretary of the Treasury and chairman of the Federal Reserve Board. No wonder it was believed necessary to take drastic action to produce a prosperity exhibit—even to the extent of going diametrically against the first avowed purpose of the Federal reserve act—by throwing off all restraint upon stock gambling through check on call-loan rates, and reducing that rate to a paltry 2 per cent. The bad condition of the patient called for drastic remedy.

DECLINE IN FACTORY EMPLOYMENT

Equally significant of industrial prosperity are the statistics of factory employment. The Federal Reserve Board kindly reduces employment to scientific indexes, so that again we may compare 1924 with 1923.

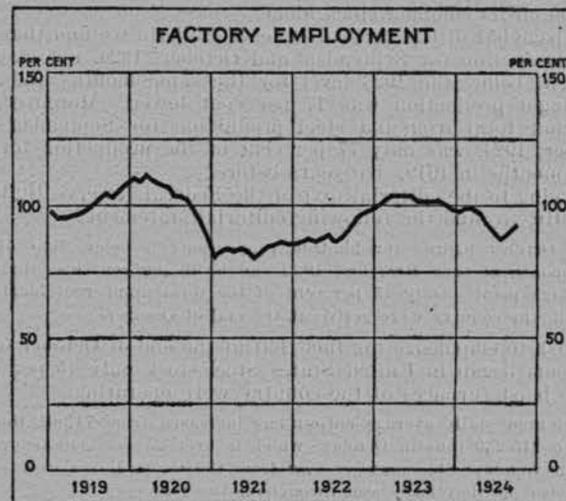
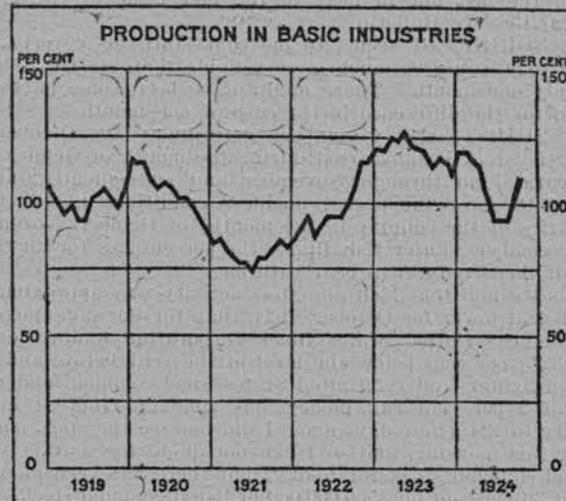
Month	1923 employment	1924 employment	1924 decrease
June.....	103	90	13
July.....	101	87	14
August.....	101	87	14
September.....	101	90	11
October.....	101	91	10
5 months average.....	101	89	12

So we find industrial employment for the five months ending October, just before the stock inflation, 12 per cent below the 1923 level, and production 21 per cent below the level of the preceding year. Only 2 per cent call money could produce prosperity in the face of such unvarnished industrial facts.

I now ask to have printed in the CONGRESSIONAL RECORD two invaluable charts, found on pages 907 and 908 of the Federal Reserve Bulletin for December, showing that industrial production during the latter half of 1924 was not only far below 1923 but likewise well below the 1919-20 average of four years before, while factory employment in 1924 was nearly 20 per cent below the high-peak employment year 1920.

The PRESIDING OFFICER. Permission must be obtained from the Joint Committee on Printing.

The charts referred to are here printed as follows:



Mr. SHIPSTEAD. Inasmuch as factory employment is the basic factor in industry and tells the story of industrial prosperity more directly and accurately than any commercial factor, and likewise reaches the living and the homes of so many millions of workers, I desire herewith to quote a few pat editorial statements from the text of the Federal Reserve Bulletin, page 919:

As compared with previous years the general index (of employment) is 10 per cent lower than it was a year ago and about on a level with that of September, 1922. The iron and steel and automobile indexes are about one-sixth less than in October, 1923, but correspond rather closely to the level of two years ago. Textiles, owing largely to the small volume of employment in the clothing industry, appear to be still below all months since 1921. No group index is as high as in October of last year (1923). \* \* \* Earnings, however, were 13.3 per cent less than a year ago, and as in the case of employment were about on the same level as two years ago. \* \* \* Wage rate decreases averaged 9.5 per cent and affected 20,000 employees.

Industrial production declined. Industrial employment was contracted in both number employed and wage earnings. Outside of the increased rail haul of grain products—due to weather and farm enterprise—railway revenue tonnage was lighter for 1924 than for the preceding year.

Only one resource was left to save the day for campaign prosperity—namely, the stock market—and that by grace of 2 per cent and 3 per cent call money nobly and wildly has come to the rescue. What the outcome will be when the orgy of stock inflation is over is a subject which every speculator is now deeply pondering. It is safe to say that the professionals will not dare to unload until the "public," otherwise the "lambs," are loaded for slaughter. Whether the big dealers will be able to realize their \$6,000,000,000 of paper gains

no one knows, but it is safe to say they will unload as fully as they are able.

Following is a list of 200 leading stocks, with their high November and December quotations, for the six weeks ending December 15, 1924, and set opposite thereto the 1924 low quotation, together with the percentage and amount of the inflation, an inflation of paper values amounting to \$3,000,000,000 on 200 stocks, an average gain of 25 per cent.

The PRESIDING OFFICER. Without objection, the request will be granted.

Mr. SHIPSTEAD. Below is the November-December high point and the year's low for 200 leading shares and the amount of the recent 1924 inflation to December 15:

Market inflation of 200 stocks

November-December high	Year's low	Increase points	Name of listed company or share	Amount stock outstanding	Amount inflation
93 1/2	73 1/2	20	Adams Express	\$12,000,000	\$2,400,000
54	25 3/4	28 1/4	Advance Rumely, preferred	12,500,000	3,200,000
122 1/2	90 1/2	32	All-American Cables	27,886,000	7,100,000
72 3/4	41 3/4	31	Allis-Chalmers Manufacturers	26,000,000	8,100,000
108 1/2	96	12 1/2	American Can Co.	41,233,000	27,800,000
184 1/2	153 1/2	31 1/2	American Car & Foundry	30,000,000	9,300,000
151	88	63	American Express	18,000,000	11,300,000
72 1/2	50 1/2	22	American Hide & Leather, preferred	12,548,000	2,700,000
35 1/2	17 1/2	18	American International	49,000,000	8,800,000
28	13 3/4	14 1/4	American Linseed	16,750,000	2,300,000
48	30	18	American Linseed, preferred	16,750,000	3,000,000
135 1/2	94 1/2	41 1/2	American Radiator	20,700,000	8,200,000
91 1/2	57 1/2	34	Amerlan Smelting & Refining	60,988,000	20,700,000
106 1/2	96	10 1/2	American Smelting & Refining, preferred	50,000,000	5,200,000
44 1/2	33 1/2	10	American Steel Foundries	24,073,000	2,400,000
134 1/2	121 1/2	13 1/2	American Telegraph & Telephone	886,000,000	119,600,000
169 1/2	136 1/2	33 1/2	American Tobacco Co. (old)	40,200,000	13,300,000
168 1/2	135 1/2	33	American Tobacco, Class B	57,382,000	18,900,000
39 1/2	24	15 1/2	American Waterworks & Electric	10,000,000	1,500,000
43 1/2	28 1/2	15	Anaconda Copper	150,000,000	22,500,000
94 1/2	83 1/2	11	Armour Preferred of Delaware	62,811,000	6,900,000
140 1/2	79	61 1/2	Associated Dry Goods	14,982,000	9,200,000
120 1/2	97 1/2	23 1/2	Atchison, Topeka & Santa Fe	232,463,000	54,600,000
95	86 1/2	9 1/2	Atchison, Topeka & Santa Fe, preferred	124,199,000	11,700,000
149 1/2	112	37 1/2	Atlantic Coast Line	67,586,000	25,100,000
23	10 1/2	12 1/2	Atlantic, Gulf & West Indies	14,963,000	1,800,000
26 1/2	12 1/2	14	Atlantic, Gulf & West Indies, preferred	14,979,000	2,500,000
117 1/2	110 1/2	7	Baldwin Locomotive, preferred	20,000,000	1,400,000
84 1/2	52 1/2	32 1/2	Baltimore & Ohio	152,314,000	49,500,000
66 1/2	56 1/2	10 1/2	Baltimore & Ohio, preferred	60,000,000	6,100,000
124 1/2	107 1/2	17	Brooklyn Edison	59,725,000	10,100,000
35	14	21	Case (J. I.) Threshing	13,000,000	2,700,000
21 1/2	10	11 1/2	Central Leather	39,689,000	4,500,000
58 1/2	29 1/2	29	Central Leather, preferred	33,297,000	9,600,000
295	199	96	Central of New Jersey	27,436,000	26,200,000
104 1/2	80	24 1/2	California Packing	47,000,000	11,700,000
96 1/2	27	39 1/2	Chandler Motor	28,000,000	11,000,000
83	61	22	Coco-Cola	50,000,000	11,000,000
98 1/2	67 1/2	30 1/2	Chesapeake & Ohio	65,425,000	19,900,000
19 1/2	8 1/2	11 1/2	Chicago & Alton, preferred	18,504,000	2,100,000
38	21	17	Chicago & Eastern Illinois	23,845,000	4,000,000
62 1/2	27	35 1/2	Chicago & Eastern Illinois, preferred	22,050,000	7,800,000
34 1/2	25 1/2	9	Chile Copper	109,776,000	9,800,000
52	40 1/2	11 1/2	Cerro De P. Copper	112,000,000	12,000,000
11 1/2	4	7 1/2	Chicago Great Western	45,246,000	3,500,000
31 1/2	10 1/2	20 1/2	Chicago Great Western, preferred	46,946,000	9,700,000
182 1/2	10 1/2	8	Chicago, Milwaukee & St. Paul	117,411,000	9,300,000
32 1/2	18 1/2	14	Chicago, Milwaukee & St. Paul, preferred	116,274,000	16,200,000
75 1/2	49 1/2	26	Chicago & North Western	145,165,000	37,700,000
114	100	14	Chicago & North Western, preferred	22,395,000	4,900,000
93 1/2	79 1/2	14	Chicago Pneumatic Tool	12,934,000	1,800,000
50	21 1/2	28 1/2	Chicago Rock Island	75,000,000	21,300,000
97 1/2	76 1/2	21	Chicago Rock Island, 7 per cent preferred	29,422,000	6,100,000
87 1/2	65 1/2	21 1/2	Chicago Rock Island, 6 per cent preferred	25,127,000	5,400,000
57 1/2	29	28 1/2	Chicago, St. Paul, Minneapolis & Omaha	18,556,000	5,200,000
94	68 1/2	25 1/2	Chicago, St. Paul, Minneapolis & Omaha, preferred	11,259,000	2,900,000
150 1/2	100	50 1/2	Cleveland, Cincinnati, Chicago & St. Louis	47,000,000	23,600,000
49	20	29	Colorado & Southern	31,000,000	8,900,000
79 1/2	60 1/2	19	Consolidated Gas	359,980,000	68,300,000
69 1/2	43 1/2	26 1/2	Continental Can	38,373,000	9,800,000
43 1/2	31 1/2	12 1/2	Corn Products Refining	62,500,000	7,600,000
75 1/2	48	27 1/2	Crucible Steel	55,000,000	15,200,000
87	86	11	Crucible Steel, preferred	25,000,000	2,700,000
84	61 1/2	22 1/2	Deers & Co.	37,828,000	8,400,000
149 1/2	110 1/2	38 1/2	Delaware, Lackawanna & Western	84,554,000	32,500,000
115 1/2	102 1/2	13	Detroit Edison	57,739,000	7,500,000
139 1/2	112	27 1/2	Du Pont de Nemours	95,000,000	26,300,000

Market inflation of 200 stocks—Continued

November-December high	Year's low	Increase points	Name of listed company or share	Amount stock outstanding	Amount inflation
95 1/2	85	10 1/2	Du Pont de Nemours, 6 per cent debentures	\$69,520,000	\$7,100,000
114 1/2	104	10 1/2	Eastman Kodak	263,795,000	22,000,000
73 1/2	56	17 1/2	Endicott-Johnson	20,268,000	3,400,000
49 1/2	28 1/2	20 1/2	Erie, first preferred	47,900,000	9,500,000
62 1/2	41 1/2	21 1/2	Federal Mining & Smelting	12,000,000	2,500,000
85	38	47	Fisk Rubber, first preferred	18,925,000	8,800,000
59 1/2	31 1/2	28	General Asphalt	19,831,000	5,500,000
288	193 1/2	94 1/2	General Electric	180,283,000	170,000,000
103 1/2	95 1/2	8 1/2	General Motors, 7 per cent preferred	88,544,000	7,300,000
37 1/2	17	20 1/2	Goodrich (B. F.)	60,140,000	12,300,000
92 1/2	70 1/2	22	Goodrich (B. F.), preferred	34,848,000	7,600,000
90	39	51	Goodyear Tire & Rubber, preferred	55,913,000	30,500,000
107 1/2	88 1/2	19 1/2	Goodyear Tire & Rubber, prior preferred	15,000,000	2,800,000
21 1/2	12 1/2	9	Granby Consolidated	34,465,000	3,100,000
75	53 1/2	21 1/2	Great Northern	249,478,000	52,900,000
99 1/2	83 1/2	16 1/2	Great Western Sugar	15,000,000	2,000,000
115	105	10	Great Western Sugar, preferred	15,000,000	1,500,000
29 1/2	11 1/2	17 1/2	Gulf, Mobile & Northern	10,469,000	1,800,000
88	50	38	Gulf, Mobile & Northern, preferred	10,961,000	4,100,000
78	61	17	Houston Oil	25,000,000	4,200,000
117 1/2	100 1/2	17 1/2	Illinois Central	110,114,000	19,200,000
117 1/2	104	13 1/2	Illinois Central, preferred	21,000,000	2,700,000
269	159	110	Ingersoll Rand	24,000,000	26,400,000
48 1/2	31 1/2	17 1/2	Inland Steel	118,277,000	20,800,000
31 1/2	22 1/2	9	Inspiration Con. Copper	23,630,000	2,100,000
51	38	13	International Agricultural, preferred	10,000,000	1,300,000
59 1/2	40 1/2	18 1/2	International Cement	36,416,000	6,800,000
38	22	16	International Comb. Engineer	41,000,000	6,500,000
109	78	31	International Harvester	99,876,000	30,900,000
115 1/2	106	9 1/2	International Harvester, preferred	60,415,000	5,700,000
15 1/2	6 1/2	9	International Merc. Marine	49,872,000	4,400,000
47 1/2	26 1/2	21	International Merc. Marine, preferred	51,726,000	10,800,000
119	73	46	International Shoe	92,000,000	42,200,000
89 1/2	66	23 1/2	International Telephone & Telegraph	17,118,000	4,400,000
100	39 1/2	60 1/2	Iron Products	33,978,000	20,500,000
51 1/2	21 1/2	30	Jordan Motor Car	12,600,000	3,700,000
41 1/2	17 1/2	24	Kansas City Southern	30,000,000	7,200,000
54 1/2	34 1/2	20	Kennecott Copper	42,500,000	8,500,000
113	79	34	Laclede Gas	10,700,000	3,500,000
85	39 1/2	45 1/2	Lehigh Valley	60,500,000	27,300,000
66 1/2	50	16 1/2	Liggett & Myers	21,496,000	3,400,000
107 1/2	87 1/2	19 1/2	Louisville & Nashville	117,000,000	23,000,000
115 1/2	75 1/2	30	Mack Trucks	28,310,000	8,400,000
70 1/2	50	20 1/2	Macy (R. H.) & Co.	35,000,000	7,000,000
83	38	45	Maxwell Motors, Class A	18,285,000	8,200,000
39 1/2	10 1/2	29 1/2	Maxwell Motors, Class B	61,495,000	18,100,000
115	82 1/2	32 1/2	May Department Stores	26,000,000	8,400,000
50	28 1/2	21 1/2	Milwaukee, St. Paul & Sault Ste. Marie R. R.	25,200,000	5,300,000
70	50	20	Milwaukee, St. Paul & Sault Ste. Marie R. R., preferred	12,600,000	6,300,000
34 1/2	10 1/2	23 1/2	Missouri, Kansas & Texas	80,675,000	19,000,000
29 1/2	20 1/2	4 1/2	Missouri, Kansas & Texas, preferred	26,292,000	12,000,000
34 1/2	9 1/2	25	Missouri Pacific	82,839,000	20,700,000
74	29	45	Missouri Pacific, preferred	71,800,000	32,700,000
48	21 1/2	26 1/2	Montgomery Ward	114,000,000	29,900,000
192 1/2	96 1/2	95 1/2	Nash Motors	27,300,000	26,000,000
66 1/2	44	22 1/2	National Cloak & Suit	12,000,000	2,700,000
119	99	20	New York Central	294,292,000	58,800,000
128	72 1/2	55 1/2	New York, Chicago & St. Louis	31,954,000	17,700,000
32 1/2	14 1/2	18 1/2	New York, New Haven & Hartford	157,117,000	29,000,000
28 1/2	16	12 1/2	New York, Ontario & Western	58,113,000	7,100,000
45	22	23	North American	28,524,000	6,500,000
73	47 1/2	25 1/2	Northern Pacific	247,998,000	62,500,000
40	31 1/2	8 1/2	Ohio Fuel Supply	39,600,000	3,400,000
85 1/2	63 1/2	22	Otis Elevator	15,650,000	3,400,000
104 1/2	90 1/2	14	Pacific Gas & Electric	41,882,000	5,800,000
50	42 1/2	7 1/2	Pennsylvania R. R.	499,296,000	38,000,000
119 1/2	92 1/2	26 1/2	Peoples' Gas, Chicago	38,495,000	10,300,000
73	40 1/2	32 1/2	Pere Marquette	45,000,000	14,600,000
55 1/2	43	12 1/2	Philadelphia Co.	46,443,000	5,900,000
54	18 1/2	25 1/2	Pierce-Arrow, preferred	10,000,000	2,500,000
75 1/2	38	37 1/2	Pittsburgh & West Virginia	30,500,000	11,000,000
97 1/2	48 1/2	49 1/2	Postum Cereal	40,000,000	19,700,000
59	39	20	Pressed Steel Car	12,500,000	2,500,000
69 1/2	39	30 1/2	Public Service Corporation, New Jersey	82,056,000	24,600,000
115	90 1/2	15 1/2	Public Service Corporation, New Jersey, 8 per cent preferred	21,921,000	3,300,000

Market inflation of 200 stocks—Continued

November-December high	Year's low	Increase points	Name of listed company or share	Amount stock outstanding	Amount inflation
66	32	34	Rutland, preferred	\$9,000,000	\$3,000,000
40	22	18	St. Joseph Lead	15,500,000	2,700,000
65	19 1/2	45 1/2	St. Louis-San Francisco Ry	46,432,000	21,200,000
55 1/2	33	22 1/2	St. Louis Southwestern	16,356,000	3,700,000
74	58	16	St. Louis Southwestern, preferred	19,893,000	3,100,000
24 1/2	6 1/2	18	Seaboard Air Line	38,919,000	7,000,000
45 1/2	14 1/2	31 1/2	Seaboard Air Line, preferred	23,894,000	7,400,000
150	78 1/2	71 1/2	Sears, Roebuck & Co.	105,000,000	74,800,000
96 1/2	91 1/2	7	Shell Union Oil, preferred	20,000,000	1,400,000
82 1/2	52	30 1/2	Sloss-Sheffield Steel & Iron	10,000,000	3,000,000
105 1/2	85 1/2	20	Southern Pacific	372,380,000	74,400,000
78	38 1/2	39 1/2	Southern Railway	120,000,000	47,400,000
81 1/2	66 1/2	14 1/2	Southern Railway, preferred	60,000,000	8,700,000
72 1/2	39 1/2	33	Standard Milling	12,492,000	4,100,000
44 1/2	30 1/2	14 1/2	Studebaker	187,500,000	27,600,000
48 1/2	19	29 1/2	Texas & Pacific	38,760,000	15,000,000
72 1/2	53	19 1/2	Tobacco Products	51,482,000	9,900,000
151	127	24	Union Pacific	222,291,000	53,200,000
64 1/2	42 1/2	21 1/2	United Cigar Stores	33,683,000	7,300,000
119 1/2	71	48 1/2	United Drug	35,860,000	17,400,000
206	182	24	United Fruit	100,000,000	24,000,000
28 1/2	8	20 1/2	United Railway Investment	20,400,000	4,000,000
60 1/2	26 1/2	34	United Railway Investment, preferred	15,000,000	5,100,000
147 1/2	64	83 1/2	United States Cast Iron Pipe	12,000,000	9,900,000
80 1/2	61 1/2	25 1/2	United States Industrial Alcohol	24,000,000	6,000,000
143 1/2	90	53 1/2	United States Realty & Improvement	16,294,000	8,700,000
95 1/2	66 1/2	28 1/2	United States Rubber, first preferred	69,000,000	19,800,000
88	18 1/2	19 1/2	United States Smelting & Refining	17,555,000	3,400,000
119	94 1/2	24 1/2	United States Steel	508,495,000	125,000,000
85 1/2	64	21 1/2	Utah Copper	16,244,000	3,400,000
44 1/2	16 1/2	27 1/2	Utah Securities Corporation	30,775,000	8,300,000
24 1/2	10 1/2	13 1/2	Wabash	65,000,000	8,800,000
60 1/2	34	26 1/2	Wabash, preferred A	67,865,000	17,900,000
115 1/2	47 1/2	68	West Penn Co.	22,500,000	15,300,000
97	87 1/2	9 1/2	West Penn Co., 7 per cent preferred	22,120,000	2,200,000
39 1/2	14 1/2	22	Western Pacific Ry.	47,500,000	10,400,000
86 1/2	68	28 1/2	Western Pacific Ry., preferred	27,500,000	7,800,000
118 1/2	105	13 1/2	Western Union Telegraph	99,817,000	13,700,000
111	84	27	Westinghouse Airbrake	39,423,000	10,600,000
70 1/2	55 1/2	15	Westinghouse Electric and Manufacturing	114,504,000	17,100,000
16 1/2	7 1/2	9 1/2	Wheeling & Erie	33,613,000	3,000,000
71 1/2	50 1/2	21 1/2	White Motors	25,000,000	5,200,000
124 1/2	72 1/2	52	Woolworth	65,000,000	33,800,000
57 1/2	23 1/2	34	Worthington Pump	12,992,000	4,400,000
73	58 1/2	14 1/2	Worthington Pump, preferred B	10,321,000	1,400,000
72	60	12	Youngstown Sheet & Tube	98,000,000	11,700,000
86 1/2	32 1/2	54	Savage Arms	9,239,000	4,900,000
65 1/2	55 1/2	10	Sterling Products	62,000,000	6,200,000
37 1/2	33	4 1/2	Standard Oil of New Jersey	506,000,000	23,700,000

Average gain, 25 per cent. Total gain of 200 stocks, \$3,066,000,000.

Mr. SHIPSTEAD. It is doubtful if the world's financial history affords a parallel to the \$6,000,000,000 inflation engineered by Wall Street, with the active cooperation of the Treasury, in the closing weeks of 1924. The leading financial journals of the country, however strongly affiliated they may be with big business and Wall Street finance, are not blind to the situation. We find a leading journal of finance and commerce, like the *Annalist*, of New York, saying editorially on its first page—December 15, 1924:

Unlike Shakespeare's mercy, which fell gently from heaven, to-day's flow of business "confidence" suggests the action of powerful pumps.

During the month of November, when the stock inflation was ushered in with the election returns, the financial press gave much space to a discussion of effects and causes. In the November discussion of the stock market we find many side-lights reflecting the relation of the Treasury and the Federal Reserve Board to the market and its call-loan rates. The remainder of my remarks will be devoted to the situation from the November point of view.

THE STOCK MARKET INFLATION OF 1924

Sales of shares on the New York Stock Exchange have attained a daily average of 2,000,000, which is double that of one year ago. In three weeks following election the market value of leading securities increased \$4,000,000,000.

Call money for New York Stock Exchange speculation has been reduced to 2 1/2 and even 2 per cent, or one-half the rate of one year ago, and from one-half to one-third of the six-year average for the same month.

The Treasury, through purchase of securities and other measures, has turned into city commercial centers over \$1,000,000,000 of public funds and has given active support to the

program of cheap and abundant loans for speculative operations.

Exchange of checks passing through the New York Clearing House for the week ending November 22 reached \$5,587,938,000. This is an increase of \$1,200,000,000 over the same week in 1923, an increase of \$1,600,000,000 over the same week in 1922, and of \$2,200,000,000 over the same week in 1921.

For this same week the ruling rate on call loans was 2 1/2 per cent, compared with 4 per cent last year, 5 per cent in 1922 and 1921, and 6 per cent in 1920 and 1919. In other words, reduction of the rate on call money has gone hand in hand with stock market inflation.

At the same time the Federal Reserve Board report for November 20 shows that for the country at large the Federal reserve banks have reduced their total holdings of discounted bills during the year by \$512,000,000—that is to say, from \$746,188,000 on November 21, 1923, to \$233,844,000 on November 19, 1924—a decrease of 68 per cent.

The Federal Reserve Board report also shows a reduction in the Federal reserve note circulation during the present year of \$399,600,000. Notwithstanding the deflation of circulation and discounts for the country at large, New York City loans for the week reported were expanded \$107,000,000 in a single week.

Conservative financial journals—like the *New York Commercial and Financial Chronicle*, the *New York Journal of Commerce*, and the *Annalist*—are full of glaring headlines and editorial comments such as these:

The *Commercial and Financial Chronicle* discusses the stock inflation under the editorial caption "Imperfect Working of the Federal Reserve System." It finds that the stock inflation is not justified by increased values and earnings and is artificially due to a "money glut," and that the glut of cheap money for stock speculation was due "largely" to Federal reserve activities in forcing cash into the market that ought to have been kept in the vault.

The *New York Journal of Commerce*, under the editorial head "Belated Anxiety," discusses the dangers of stock-market inflation as marking the "unsatisfactory quality of the leadership at Washington as regards banking." It editorially charges the administration with an "investment policy which has beaten down the rate of interest and been more than hazardous for the country at large."

I want to say that when the Secretary of the Treasury and the Federal Reserve Board last spring cut the rediscount rate I do not criticize them for doing that. That was a commendable thing to do. I criticize the Federal reserve banking system for extending money and credit to speculation at the expense of the business and industry of the country. I say that these periodical booms, inflation of the stock market, and then, following that, periodical deflation and destruction of values have at all times worked to the detriment of the country.

The *Annalist* has such headlines as these:

A cheap money, cheap credit boom.

Will the racing stock market become a Juggernaut?

Uneasy business holds the Federal reserve responsible for an inflationary course, which, it begins to fear, may end in a collapse like 1920-21.

In support of the charge that "industry has not kept pace," and that therefore the inflation is artificial, the *Annalist* compares 1924 with 1923, and finds that, in a given period, factory employment is nearly 11 per cent less and employees' earnings 13.3 per cent less than a year ago.

"Inflation coming!" is the headline placed over an article by George E. Roberts, vice president of the National City Bank, published in the *Financial World*.

The market letter of Hayden, Stone & Co. closes with the sentence:

We feel that the market has entered a zone of decided danger.

H. Parker Willis, a former official of the Federal Reserve Board, in a special article published in the *Annalist* charges that the Federal Reserve Board has pushed into the market \$1,100,000,000 by purchase of securities, and that besides this "open-market work" the Federal reserve banks, "under instructions of the Treasury," have forced into circulation as much of the gold coin in their possession as the market could absorb. He states:

The reserve banks have not only lowered rates to correspond with the market, but have done everything they could to force down rates in the market before they lowered their own charges.

Mr. Willis calls attention to the fact that the Federal reserve system was organized by Congress, in the first place, to

check the very evil it is now actively aiding and abetting—namely, control of cheap and abundant funds for stock-exchange speculation in Wall Street.

All of the financial authorities above cited substantially agree, as editorially expressed in the *Annalist*, that—

there are practically unlimited funds with which to speculate in the stock market.

They are likewise in practical agreement that the responsibility for this condition rests, first, with the Federal Reserve Board; second, that the board is acting in substantial pursuance of Treasury instructions and policy; and, third, that it has the administration approval.

The financial authorities above quoted are cited, not for their editorial views, which in the main are ultra-conservative, but as a basis for appreciation of the facts. Conservative as they are, they show beyond question of doubt:

First. That we are going through a period of stock market inflation.

Second. That this inflation is not based on increased production, employment, and actual values, but is artificial; or, as defined by the *Annalist*, "the present inflated—that is, not justified by earnings outlook—stock price level."

Third. That, "There are practically unlimited funds with which to speculate in the stock market."

Fourth. That these funds and low call-money rate are the result of Government action, aided and inspired by the administration and carried out by the Federal Reserve Board and Federal reserve banks, and variously called, "The policy of the Federal reserve," and "The policy of the Treasury."

The *Wall Street Journal* is one of the financial reviews that looks upon the situation with equanimity. It jovially refers to the stock excitement as "one of the greatest market 'jamborees' of history." It quotes one of its broker patrons as saying: "The good old stock A. O. T. (any old thing) will soon rule supreme." It humorously suggests to the anxious crowd: "One way to protest stock inflation is to sell the market short." It rejoices that Wall Street has the greatest boom since 1901, "just before the break in the Harriman corner in Northern Pacific shares."

On November 25, the *Wall Street Journal* gives the encouraging news from Washington:

#### NO BANK RATE CHANGE NOW

WASHINGTON—There is no immediate change in rediscount rate contemplated at the present time, Treasury officials said Monday.

Comparing the recent stock exchange pace of 2,000,000 shares daily, the *Wall Street Journal* compiles data showing that the 1924 average prior to the present stock boom was only 838,044 shares daily; that the 1923 average for the New York Stock Exchange was 809,547 shares daily; and that the 1922 average was 874,906, and the 1921 only 598,933. In other words, in November, 1924, with unlimited 2 per cent and 2½ per cent call money for stock speculation, the daily stock sales have multiplied something like 150 per cent above the average of the Harding-Coolidge administration to date.

The *New York Times* for November 23 publishes an eight-year review of New York call-money rates for the week, as follows:

#### CALL LOANS

The following is the range of call-money loans in this week for a series of years:

Year	High	Low	Ruling
1924	2½	2	2½
1923	5	4½	4¾
1922	5½	4	5
1921	5½	4½	5
1920	7	5	6
1919	7	5½	6
1918	6	5	5½
1917	6	2½	4¾

Mr. HEFLIN. Mr. President—  
The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Alabama?

Mr. SHIPSTEAD. I yield.

Mr. HEFLIN. I want to interrupt the Senator to ask him what the highest rate for call money was in 1920 and 1921, during the deflation period.

Mr. SHIPSTEAD. In 1919 the high was 7 per cent, and the low 5½, the ruling 6 per cent. In 1920 the high was 7 per cent, the low 5 per cent, and the ruling 6 per cent—

Mr. HEFLIN. How about 1921?

Mr. SHIPSTEAD. About three times what they were in November and December, 1924. That was when stocks were going down, when they were being squeezed out of the hands of the small buyers of the country, who bought Liberty loan bonds at par and were forced to sell them at 80 and 85 cents on the dollar. We had an entirely opposite transaction going on at that time. That was the so-called period of deflation, when the stocks were being squeezed out of the hands of the people who bought them, who very often bought them on borrowed money; for instance, from patriotic motives during the war. They were unloaded or squeezed out of the public during that period to which the Senator from Alabama refers. That was accomplished by an operation opposite to what is now taking place. Then we had a raising of the discount rate. We had a raising of the call-money rate. We had a shutting down on credit to legitimate business. We had a throttling of the business of the country by those who controlled the money and the credit of the Nation. Now we have the opposite going on. We have a lowering of the discount rate. We have plenty of money for speculation. We have increasing credit, and consequently an increase in values.

Mr. HEFLIN. In other words, the small stockholder at that time could not obtain money with which to hold his stocks, but the large speculative financiers could.

Mr. SHIPSTEAD. The records show that. I thank the Senator from Alabama for calling that to the attention of the Senate.

The effect of these call-loan rates—less than one-half the average for the same week in seven preceding years—is shown elsewhere in the *New York Times* in comparing the present "2,000,000-share days" with former records. The following is an interesting paragraph from the *Times* for November 23:

The turnover of stocks in the week just closed totaled 12,079,389 shares, which has been exceeded but once in the history of the exchange. This was in the week of May 4, 1901—23 years ago—when a boom in stocks just preceded the panic week of May 11, 1901. All other records, even those established in the tremendous markets of 1907 and the boom of 1916, as well as 1920, were outrun in last week's volume of business.

The *Times* then presents a table of stock sales, by days, for 16 days, and an estimated increase in market values of \$3,000,000,000 to \$4,000,000,000 as the 16-day gain in speculative value of leading shares.

This appreciation of billions in the market value of shares has doubtless made many fortunes. Says the *Times*:

Stories of the winning of fortunes continue to circulate and increase. Wealthy individuals who are always in the market have benefited materially. Probably the largest paper profits have been made by the bankers who during the summer bought cheap railroad stocks. Until the public got into the market, it was guided by constructive banking and pool operation. Outside public participation has increased from 100 to 300 per cent.

Such is the picture the country obtains of high finance—the finance of Wall Street stock speculation as fostered under the auspices of the administration through the activities of the Treasury and the Federal Reserve Board.

The faithful, those who supported the administration policies with their campaign subscriptions and votes, are doubtless receiving their rewards. November's \$4,000,000,000 increase in stock values will cover a multitude of sacrifices.

In the days before Congress and the State legislatures passed civil service laws the slogan, "To the victor belong the spoils" meant distribution of patronage. But a four-billion-dollar division through stocks beats all Federal office spoils. The loaves and fishes are multiplied on a vaster scale than any miracle at Galilee.

The hungry speculator, when the news stand opens, gets his *Wall Street Journal* and assures himself that there is to be 2 per cent call money to-day. Yes; there is the assurance of the Treasury that the rate is not to change for some time yet. That means a sustained bull market. He hies himself to a bucket shop, and, lo, in perhaps the first hour he has the loaves and fishes of a year. For his two loaves and five fishes he reaps baskets full.

By way of fairness to the administration, one naturally inquires if the blessings of abundant and cheap money have not been extended to all classes, and not restricted to stock speculation. So we pick up a November Federal reserve report, and scrutinize the class of loans that are carried by the Federal reserve banks.

I have before me the Federal Reserve Board statement for the press of November 20, 1924. On page 4 of the statement is a classified list of bills discounted held by Federal reserve banks

on November 19. The total amount of such discount bills is \$233,844,000. This is the way these bills are classified:

Discount bills due within 15 days.....	\$149,052,000
Discount bills due within 16 to 30 days.....	25,528,000
Discount bills due within 31 to 60 days.....	33,175,000
Discount bills due within 61 to 90 days.....	16,493,000
Discount bills due within 91 days to 6 months.....	9,149,000
Discount bills due within over 6 months.....	447,000

So the very record shows that call money and stock speculation are getting the bulk of this extension of credit and use of money.

We might ask, what class of these loans are perhaps farm loans? Let us assume that all loans for over 90 days are farm loans; they amount to \$9,596,000, or only 4 per cent of the total.

Then let us assume that all discounts of 16 days up to 90 are business loans of merchants and manufacturers. They amount to a little over \$75,000,000, or about 32 per cent of the total.

But \$149,000,000, or 64 per cent of the total, are for only 15 days or less. What class of people make 1 to 15-day loans? Well, on that point, I yield to the superior judgment of the stock exchange or bucket-shop manager.

At length I turn for light to the great stock-market authority, the Wall Street Journal; and now all is clear. I read in its issue of November 26 the following official notice:

#### FEDERAL RESERVE STATEMENT

Report of the Federal Reserve Board indicates a continued gain in loans on stocks and bonds. \* \* \* According to the statement, 67 New York banks increased their loans on this collateral (for the week) \$64,000,000. \* \* \* Eliminating New York, interior banks' transactions against these securities declined \$17,000,000.

Such is the financial picture. The loans are going on 1 to 15 day paper. This paper has stock and bond collateral. The place where it is handled is Wall Street. Low interest rates and abundant funds for New York Stock Exchange speculation.

The Wall Street Journal assures its patrons in this same issue:

A banker says: "You can look for easy money for a long time yet."

It seems scarcely necessary to comment upon such a condition. The facts speak louder than any denunciation that can be framed. The facts are from ex cathedra sources—from New York leading financial authorities, and from Federal reserve reports. They tell their own story to the country at large, the story of a Wall Street stock market "jamboree" financed by the United States Treasury. The check upon Wall Street control, the purpose for which the Federal reserve was originally created, has been destroyed, and the Government agency turned into a force to perpetuate and magnify the evil. The result is called prosperity of the American people and sound finance.

The greatest menace which I see in the present situation is the effect upon the 100,000,000 minds which make this the world's greatest nation, when it at last dawns upon the average man—as sooner or later is inevitable—that our boasted national prosperity hangs, not upon productive industry and wage-earning toil, but upon the use of Government financial functions in aiding stock-market operations. In producing a few weeks of paper prosperity for stock gamblers, are we laying the foundation for the loss of that popular faith, hope, and charity which are the foundation of the Republic? What shall we gain if we add six billions to fake prosperity and lose the faith of the American people? Even now we know not what hour the bubble may burst and the 1924 stock inflation, like others before it, produce disaster to the many and endanger panic. The country will survive. It is the greatest and most enduring that man has happily created. But let us not trifle with the corner stone of its foundation—the faith of the 100,000,000 people.

The January number of Secretary Mellon's Federal Reserve Bulletin comes to hand after we have completed the examination of his December review. The chief points of interest in the January number are the industrial and commercial data for November. Inasmuch as November ushers in the great bull market in Wall Street stocks, we would naturally conclude that November likewise had similar good tidings for the industries which the stocks represent. Great is our disappointment, therefore, to find that November shows a decline from October in the following fundamental data: Decreased production in basic industries, decreased railroad car loadings, and decreased wholesale trade.

For the six months ending November the production in basic industries for 1924 is 21 per cent lower than in 1923, and

employment is still 12 per cent lower than the year before. Wholesale trade for November, 1924, is only 84 per cent of that for the same month in 1919.

It would be supposed that by reason of the largely increased grain marketed in the fall of the year railroad car loadings would show marked gain for the latter half of 1924. But for the six months ending November railroad car loadings in 1924, according to Secretary Mellon's admirable statistical data, are 5 per cent smaller than for 1923.

Factory employment for November is the same as for October—9 per cent below the 1919 and 1923 level and 20 per cent below the high peak of June, 1920.

Mineral production for November—see page 37—12 per cent below October and 10 per cent below November the year before. Anthracite coal production falls off 13 per cent and bituminous 16 per cent. Crude petroleum declines 11 per cent below the October output and 29 per cent below November a year ago.

Manufacturing production for November is 11 per cent below October and 6 per cent below November the year before. Automobile production declines 38 per cent; lumber, 29 per cent; cement and brick, 21 per cent; leather and shoes, 13 per cent; textiles and food products, 6 per cent.

For the production of pig iron, which modern economists assume is the most accurate single unit index of industrial prosperity, we are favored by the Iron Age with a complete report for each month of the complete calendar year for 1924, 1923, 1922, 1921, and 1920. As these figures of the Iron Age are the official data of the iron and steel trade, and will doubtless appear in the February issue of Secretary Mellon's bulletin, I take the liberty of presenting them herewith for the RECORD:

	1924	1923	1922	1921	1920
	Tons	Tons	Tons	Tons	Tons
January.....	3,018,890	3,229,604	1,644,951	2,416,292	3,015,181
February.....	3,074,757	2,994,187	1,629,991	1,937,257	2,973,879
March.....	3,446,086	3,523,868	2,035,920	1,595,522	3,375,907
April.....	3,233,428	3,547,551	2,072,114	1,193,041	2,739,797
May.....	2,615,110	3,867,694	2,306,679	1,221,221	2,988,881
June.....	2,026,221	3,668,413	2,361,028	1,064,833	3,043,540
July.....	1,784,899	3,679,810	2,405,365	864,555	3,059,603
August.....	1,887,145	3,449,493	1,816,170	954,193	3,147,402
September.....	2,053,264	3,125,512	2,033,720	985,529	3,129,323
October.....	2,477,127	3,149,158	2,637,844	1,246,676	3,292,597
November.....	2,509,673	2,894,295	2,849,703	1,415,481	2,934,908
December.....	2,961,702	2,920,982	3,086,898	1,649,066	2,703,855

It will be noted that in 10 months out of 12 the pig-iron production of 1924 was below that of 1923 and that for the complete calendar year the pig-iron output was only 31,000,000 tons, compared with 40,000,000 in 1923 and 36,900,000 in 1920. In other words, the 1924 annual product was 29 per cent below the year before and 19 per cent below 1920. For each of the nine months from March to November, inclusive, the 1924 pig-iron product was lower than that of the preceding year. For each of the seven months from May to November, inclusive, the 1924 pig-iron output was lower than in 1920, the aggregate of these seven months being less in 1924 than in 1920 by 6,000,000 tons, or nearly 40 per cent.

It is therefore plain that the November-December industrial stock boom was without industrial foundation. It was financial wind, inflation, and speculative gambling.

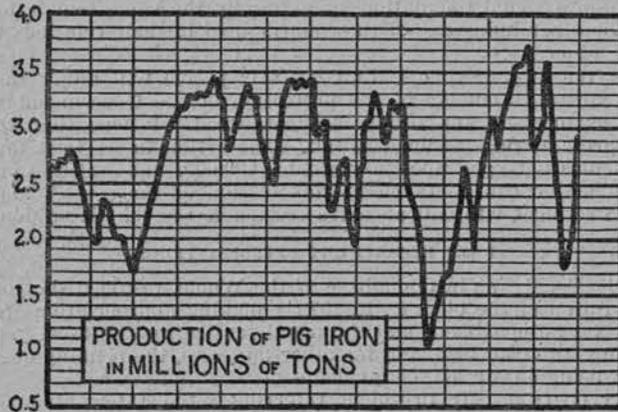
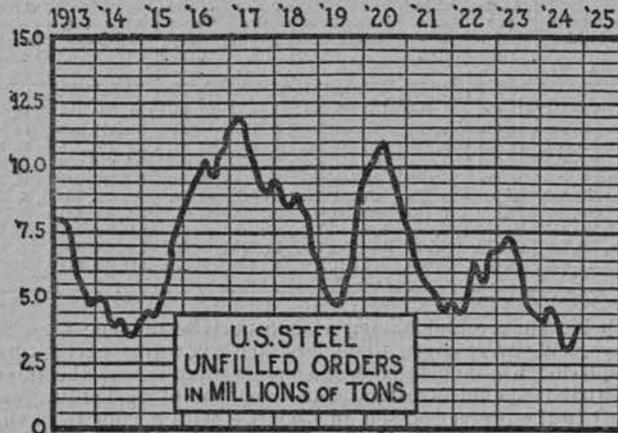
For the stock gambling of November, 1924, there was far less basis even than for October. In October there was a heavy grain movement to help the stock market, which by November had fearfully shrunk. On page 37 of the January Federal Reserve Bulletin we read that total receipts of grain and flour at the 17 principal interior centers dropped from 192,440,000 bushels in October to 123,287,000 in November—a shrinkage of 69,000,000 bushels, or 35 per cent. Shipments from the 14 interior principal shipping markets dropped from 147,760,000 bushels in October to 99,000,000 in November—a shrinkage of 48 per cent. Wheat-flour production declined. Livestock receipts and shipments fell off. Vegetable receipts and tobacco manufactures decreased. Sugar receipts and meltings fell off over 30 per cent.

There was a slight increase in unfilled orders of the United States Steel Corporation for November over October, but the steel company's unfilled orders still remained below November the year before and less than half the unfilled tonnage of the corporation at the high peak in 1920.

Believing that the chairman of the Federal Reserve Board would not take exception to the statistical data of such a high-grade financial authority as the Magazine of Wall Street, I ask permission to insert in the RECORD two industrial diagrams from that gilt-edged source—page 465 of the Magazine of Wall Street for January 17, 1925.

I will request the Joint Committee on Printing for permission to insert these two charts and a diagram from the Wall Street Magazine.

The diagrams referred to are here printed as follows:



So, though we see United States Steel common soaring on the Wall Street stock market, we behold in the beautiful pictorial diagram of United States Steel unfilled orders a steady retrograde movement from the high point of 10,000,000 tons in 1916 and 1920 down to 4,000,000 at the close of 1924—culminating in a shrinkage of 60 per cent. At the same time the shrinkage of pig-iron production during the last nine months of 1924 drops to near the level of 1921.

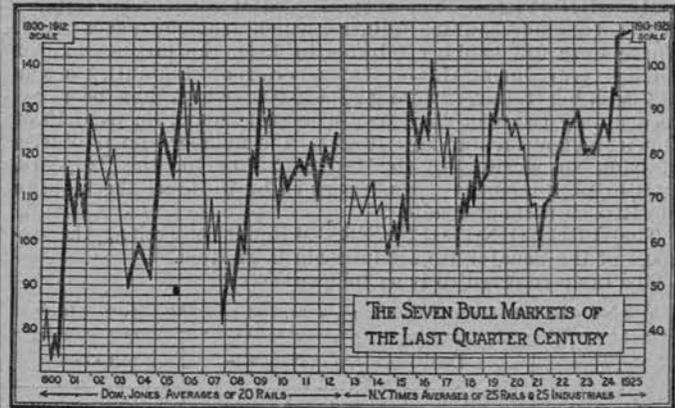
No; we are unable, search as we may, to find justification for stock-market inflation in any staple field of industry. Not industrial but financial activities are the basis for the boom. The big item which tells the story is the expansion of \$2,000,000,000 in the country's loans and investments—over \$1,000,000,000 of which is in the New York Federal reserve district alone. A loan and investment of \$1,000,000,000 in the New York reserve district, coupled with 2 per cent and 3 per cent

call money, and the active cooperation of the Treasury, the Federal Reserve Board, and Wall Street high finance, tell the story.

How effectively these forces have worked during the past 10 weeks is graphically told in the Magazine of Wall Street by its editor, Richard D. Wyckoff, under the caption "Wall Street's greatest bull market: Why the present rise must be regarded the greatest of them all."

A diagram presenting the history of the Wall Street bull markets for the past 25 years is presented as an exhibit of the skyrocketing of so-called high finance when the big operators get ready and mobilize their forces. The dizzy heights of the Wall Street bull fever are well portrayed by the black zigzag leaps of the diagram. We are assured by the editor that the recent bull fever has broken the record. The diagram is taken from page 454 of the January 17 issue, and tells its own story.

The diagram referred to is here printed as follows:



Only one thing now seems lacking in presenting a complete record of high finance in 1924, and that is the record of commercial and banking failures. The third quarter of 1924 breaks the record with the heaviest volume of failure liabilities for that quarter in the history of the United States. The month of March, 1924, holds the country's record for the largest volume of failure liabilities for any single month.

The 1924 total of commercial failures was 20,615 in number and \$514,225,000 in volume of failure liabilities. This is an increase over 1923 of not quite 2,000 in number and \$4,000,000 in volume. Although 1921 and 1922 slightly exceed 1923-24 in number and volume of failures, the year 1924 easily holds the banner over the 25 years preceding. It exceeds by a fairly wide margin the combined totals for the years 1919 and 1920, and very largely exceeds the total of the panic of 1908.

I desire to insert in the RECORD, without reading, the excellent 30-year record of commercial failures published by R. G. Dun & Co., as found on page 8 of Dun's Review for January 10, 1925.

The PRESIDING OFFICER. Without objection, the request of the Senator from Minnesota is granted.

The statement referred to is as follows:

Quarterly statements of failures and average of liabilities

Year	First quarter			Second quarter			Third quarter			Fourth quarter			Total for the year		
	Number of failures	Amount of liabilities	Average liabilities	Number of failures	Amount of liabilities	Average liabilities	Number of failures	Amount of liabilities	Average liabilities	Number of failures	Amount of liabilities	Average liabilities	Number of failures	Amount of liabilities	Average liabilities
1895	3,802	\$47,813,683	\$12,577	2,855	\$41,026,261	\$14,370	2,792	\$32,167,179	\$11,521	3,748	\$52,188,937	\$13,924	13,197	\$173,196,069	\$13,124
1896	4,031	57,425,135	14,246	2,995	40,444,547	13,504	3,757	73,284,649	19,507	4,305	54,941,803	12,762	15,088	226,096,134	14,985
1897	3,932	48,007,911	12,209	2,889	43,684,876	15,121	2,881	25,601,188	8,894	3,649	37,038,096	10,150	13,351	154,332,071	11,559
1898	3,687	32,946,665	8,936	3,081	34,498,074	11,351	2,540	25,104,778	9,896	2,928	38,113,482	13,017	12,186	130,662,899	10,722
1899	2,772	27,152,031	9,795	2,081	14,910,902	7,165	2,001	17,640,972	8,816	2,483	31,175,984	12,556	9,337	90,879,889	9,733
1900	2,894	33,022,873	11,411	2,438	41,724,879	17,114	2,519	27,119,986	10,766	2,923	36,628,225	12,531	10,774	133,495,673	12,854
1901	3,335	31,708,486	9,506	2,424	24,101,204	9,943	3,324	24,756,172	10,652	2,919	32,531,514	11,145	11,002	113,092,376	10,279
1902	3,418	33,731,758	9,869	2,747	26,643,098	9,699	2,511	25,032,634	9,969	2,939	32,069,279	10,911	11,615	117,476,769	10,137
1903	3,200	34,344,433	10,732	2,428	32,452,827	13,366	2,548	34,853,595	13,630	3,893	53,768,330	13,824	12,069	153,444,155	12,879
1904	3,344	48,066,721	14,374	2,870	31,424,188	10,949	2,969	32,168,296	10,835	3,016	32,543,106	10,790	12,199	144,202,311	11,820
1905	3,443	30,162,505	8,760	2,767	25,742,080	9,303	2,596	20,329,443	7,061	2,714	26,442,144	9,743	11,520	102,676,172	8,913
1906	3,102	33,761,107	10,883	2,510	28,902,967	11,515	2,303	21,906,163	9,563	2,770	34,541,278	12,470	10,682	119,201,515	11,139
1907	3,136	32,075,591	10,228	2,471	37,493,071	15,173	2,483	46,467,686	18,714	3,635	81,348,877	22,379	11,725	197,388,225	16,834
1908	4,909	75,706,191	15,422	3,800	48,668,642	12,805	3,467	55,302,690	15,997	3,524	42,638,161	12,099	15,090	222,315,684	14,169
1909	3,200	44,460,950	11,548	2,981	44,086,423	14,787	2,836	29,094,498	10,259	3,257	26,967,594	11,350	12,924	154,603,465	11,963
1910	3,625	73,079,154	20,732	2,863	39,160,152	13,678	3,011	42,177,998	14,008	3,253	47,339,793	14,552	12,652	201,757,097	15,947
1911	3,985	59,651,761	14,969	3,076	44,046,590	14,319	2,880	35,167,269	12,211	3,500	62,196,045	14,913	13,441	191,061,065	14,215
1912	4,828	63,012,323	13,051	3,489	44,969,900	12,898	3,499	45,532,137	13,013	3,636	49,573,031	13,634	15,452	203,117,391	13,145
1913	4,458	76,832,277	17,235	3,705	56,076,784	15,135	3,549	63,837,315	17,987	4,325	75,925,912	17,555	16,037	272,672,288	17,003
1914	4,826	83,221,826	17,265	3,717	101,877,904	27,410	4,298	86,818,291	20,200	5,439	85,990,838	15,810	18,280	357,908,859	19,570

Quarterly statements of failures and average of liabilities—Continued

Year	First quarter			Second quarter			Third quarter			Fourth quarter			Total for the year		
	Number of failures	Amount of liabilities	Average liabilities	Number of failures	Amount of liabilities	Average liabilities	Number of failures	Amount of liabilities	Average liabilities	Number of failures	Amount of liabilities	Average liabilities	Number of failures	Amount of liabilities	Average liabilities
1915	7,216	\$105,703,355	\$14,648	5,524	\$82,884,200	\$15,004	4,548	\$52,876,525	\$11,626	4,868	\$60,822,068	\$12,494	22,156	\$302,286,148	\$13,644
1916	5,387	61,492,746	11,415	4,108	49,748,675	12,110	3,755	43,345,286	11,543	3,743	41,625,549	11,120	16,993	196,212,258	11,547
1917	3,937	52,307,099	13,286	3,551	42,414,257	11,944	3,249	47,228,682	14,536	3,118	40,491,333	12,986	13,855	182,441,371	13,168
1918	3,300	49,780,300	15,085	2,589	38,013,262	14,683	2,180	35,181,462	16,139	1,913	40,044,955	20,933	9,982	163,019,979	16,331
1919	1,904	35,821,052	18,813	1,559	32,889,834	21,066	1,393	20,230,722	14,523	1,595	24,349,629	15,266	6,451	113,291,237	17,561
1920	1,627	29,702,499	18,256	1,725	57,041,377	33,067	2,031	79,833,595	39,308	3,498	128,544,334	36,747	8,881	295,121,805	33,230
1921	4,872	180,397,989	37,038	4,163	130,273,615	31,293	4,472	122,099,399	27,440	6,145	194,030,880	31,575	19,652	627,401,883	31,926
1922	7,517	218,012,365	29,002	5,867	155,003,973	26,538	5,033	117,198,157	23,285	5,259	132,981,756	25,287	23,676	623,896,251	26,351
1923	5,316	138,231,574	26,002	4,408	121,192,494	27,493	3,776	98,754,559	26,153	5,218	181,208,179	34,728	18,718	539,386,806	28,816
1924	5,655	184,865,571	32,691	5,130	116,594,388	23,313	4,441	126,263,495	28,431	5,389	112,501,995	20,876	20,615	543,225,449	26,351

Mr. SHIPSTEAD. The above record of commercial failures does not include banking failures, which are shown separately. There were 613 banking failures in 1924, the largest number for any year during the present generation. Liabilities of the 613 banking failures were \$202,926,000, which has been exceeded only twice in 25 years. The table found on page 10 of Dun's Review for January 10 gives the number and liabilities of bank suspensions in the United States for the 22 years, 1903 to 1924, inclusive. I ask permission to insert the table in the Record without reading.

The PRESIDING OFFICER. Without objection, the request of the Senator from Minnesota is granted.

The table referred to is as follows:

Number and liabilities of banking suspensions in the United States

Year	Total		National		All others	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
1924	613	\$202,926,206	121	\$69,656,772	492	\$133,269,434
1923	578	203,739,138	77	36,568,934	501	167,170,204
1922	277	77,735,551	35	16,453,926	242	61,281,625
1921	404	173,027,776	47	28,401,550	357	144,626,226
1920	119	50,708,300	10	3,350,000	109	47,358,300
1919	50	16,520,862	4	1,850,000	46	14,670,862
1918	20	5,131,887			20	5,131,887
1917	42	18,451,964	4	3,700,000	38	14,751,964
1916	50	10,396,779	8	1,755,000	42	8,641,779
1915	133	37,223,234	18	13,649,000	115	23,574,234
1914	212	56,005,107	19	9,606,098	193	46,399,009
1913	120	31,546,314	7	5,197,336	113	26,348,978
1912	79	24,219,522	4	8,313,000	75	15,906,522
1911	107	25,511,606	3	1,250,000	104	24,261,606
1910	119	41,097,255	10	4,284,482	109	36,812,773
1909	80	24,677,128	11	4,109,224	69	20,567,904
1908	180	123,126,956	31	48,388,000	149	74,738,956
1907	132	233,325,972	12	12,533,000	120	220,792,972
1906	68	18,805,380	8	1,490,966	60	17,314,414
1905	73	20,227,155	16	4,198,348	62	16,028,807
1904	99	28,158,811	24	10,257,223	75	17,901,588
1903	121	29,685,766	12	5,735,477	109	23,950,289

Mr. SHIPSTEAD. I have called this condition of the basic industries of the country, the condition of commerce and business of the country, to the attention of the Senate because Congress will soon adjourn, and because I believe some remedial legislation is needed, particularly so far as agriculture and the control of money and credit is concerned. It seems to me Congress should take some action to enact legislation that would stop the hoarding of money and credit in the financial districts at an exceedingly low rate of interest for the purpose of speculation. We have had in the last few weeks an inflation of approximately \$6,000,000,000 of paper profits, and the public is led to believe that it is all based upon a sound economic condition of the industries of the country. An unprejudiced survey of the earning power and production capacity of the industries of the country will convince anyone that what is going on now is not based upon any sound economic principle, that it is merely a repetition of what has taken place in the country many times before, an artificial stock speculation, the fleecing of the lamb, and after that comes the deluge of deflation with ruined business concerns and individuals all over the country.

I again call attention to the fact that this reduction in interest rates has not been reflected to the farmers of the country. The farm-loan rate has not been reduced. The farmers of the country are still carrying the burden of interest rates and taxes. It is true that the President appointed a commission for the purpose of studying the agricultural situation, and I do not question his motives in doing that. I give him credit

for being sincere and having a good purpose in view when he did so. We were given to understand when this agricultural commission was appointed last summer that it was the intention that it should investigate the condition of agriculture and report to the present session of Congress with a view to having legislation enacted which would put the business of agriculture on a sound foundation, or as nearly the same foundation as the other industries of the country hold in their relations to each other.

At the present time I think all fair people will admit that agriculture is outside of the protection of the Government so far as markets and profits are concerned. I hope that the Congress at this session will take some action to see to it that agriculture is put upon a permanent basis, and unless some such action can be taken at this session of Congress I hope the President will call an extra session to see that it be done.

NAVY DEPARTMENT APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes, the pending question being on Mr. KING's amendment.

Mr. ODDIE. Mr. President, referring to the statements made a short time ago by the distinguished junior Senator from Utah [Mr. KING] I desire to make a few comments. The American occupation of Haiti has been discussed at length several times during the last three years. The committee, of which I was a member, appointed by the Senate investigated conditions in Haiti in considerable detail two years ago. It held hearings all over Haiti; it held hearings here in Washington; and it worked hard for many weeks, in fact for many months. I feel that the Senator from Utah has been misinformed regarding the original purpose of our occupation of Haiti and of the events which have since then taken place.

The intervention of the United States into the internal affairs of the Republic of Haiti in July, 1915, was unavoidable. The President of Haiti had been brutally murdered, his government overthrown, and the steady presence of a foreign military force was imperatively necessary. Obviously there was only one foreign State that should, in view of the international understandings in force over that region, land troops—the United States. The intervention of the United States was fully justified and was undertaken as a matter of duty.

Mr. KING. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Utah?

Mr. ODDIE. I yield.

Mr. KING. Will the Senator please state to the Senate what international understandings there were as to the landing of troops or as to the assumption of control over the island of Haiti; and if there were international understandings, what nations entered into those understandings; and if nations did enter into understandings, did they do it with the consent of the people of Haiti, or was it merely an understanding of a number of bankers and a number of imperialistic governments that, if any disturbances arose in Haiti, they or one of them would interpose for the purpose of forcing control over an unwilling people?

Mr. ODDIE. Mr. President, the United States was a party to a treaty in 1909 that had much to do with the finances of Haiti. It is a well-known fact—

Mr. KING. Pardon me. Does the Senator from Nevada mean Haiti? We had a treaty in 1909, or a little before, with Santo Domingo,

Mr. ODDIE. The treaty with Santo Domingo was negotiated in 1909.

Mr. KING. But the treaty with Haiti was negotiated in 1915 or 1916.

Mr. ODDIE. That treaty was in 1915, as I should have said. At that time there was anarchy in the island of Haiti. Troops had been landed by France; troops had been landed by Germany; the President of Haiti had been brutally murdered, and the Government had been overthrown. The United States was forced to land troops in order to preserve the Monroe doctrine. It acted under an obligation.

The American high commissioner, Brig. Gen. John H. Russell, United States Marine Corps, the treaty officials, and the armed naval forces of the United States are in the Republic of Haiti to-day for the sole purpose of carrying out the provisions of the treaty between the United States and Haiti, signed September 16, 1915, duly ratified by both Governments and proclaimed May 3, 1916. The preamble of that treaty states that—

Republic of Haiti desiring to remedy the present condition of its revenues and finances, to maintain the tranquillity of the Republic, to carry out plans for the economic development and prosperity of the Republic and its people; and the United States being in full sympathy with all of these aims and objects and desiring to contribute in all proper ways to their accomplishment—

#### Both Republics—

resolved to conclude a convention with these objects in view.

#### Article 14 of the treaty provided that—

should the necessity occur, the United States will lend an efficient aid for the preservation of Haitian independence and the maintenance of a government adequate for the protection of life, property, and individual liberty.

Thus the armed forces of the United States have neither displaced the civil government of Haiti nor have they established a military government of the United States in that country; rather they are engaged, pursuant to law and solemn treaty obligations, in lending efficient aid to the Republic of Haiti in preserving a republican form of government, and suppressing domestic violence.

At the present time the general policy of the United States with regard to the Republic of Haiti is established by the Department of State, and the American high commissioner, in carrying out this policy, is responsible to the Secretary of State and not to the Secretary of the Navy.

Mr. President, this matter has been covered in a very able manner in a speech made last year by the Secretary of State, Mr. Hughes, before the American Bar Association at Minneapolis, and I ask that the portion of his address which I have marked with reference to the American occupation of Haiti may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

In order to understand conditions in Haiti it should be recalled that since the Republic of Haiti gained its independence it has been the scene of almost continuous revolution. This is true of its recent history as well as of the earlier years. From 1886, when General Salomon completed his full presidential term, until 1915 every president except one had been overthrown by revolution, some escaping to near-by islands, others being assassinated. As the result of these successive revolutions the Republic, by the summer of 1915, had reached a stage of exhaustion and devastation more complete than at any prior period of its existence. It is unnecessary to review the causes of these revolutions; it is sufficient for the present purpose to state the fact. Between the years 1910 and 1915 the foreign relations of the Haitian Government became seriously involved because of the pressure brought to bear by the Governments of France, Great Britain, Germany, Italy, and the United States to obtain a settlement of the claims of their nationals. Because of the unwillingness or inability of the Haitian people to settle these claims in a satisfactory manner there were armed demonstrations; armed forces of foreign powers had been landed at various points in Haiti on the ground that lives and property of their nationals were in danger.

In 1914 and 1915 there were continuous disturbances, which culminated in the latter year in the murder by armed mobs of ex-President Oreste Zamor and President Sam, the latter having been dragged by a mob from the French Legation, where he had taken refuge, and torn to pieces in the street. Following this the members of the cabinet took refuge in foreign legations or escaped from the country, so that there was no executive to assume direction of affairs. It was in this situation that on July 28, 1915, the U. S. S. Washing-

ton arrived, and it was deemed necessary to land American forces. Within a short time the legislative chamber assembled and, under the protection of the United States marines, elected Sudre Dartiguenave, president of the former Senate, President of the Republic. In connection with the immediate exigency of preserving peace, it appeared essential from a humanitarian standpoint to aid the Haitian people to free themselves from the hopeless conditions, which continued revolutions and a policy of despotic militarism had produced. In a large part of the island agriculture had practically been abandoned and in the theater of the revolutionary disturbances the country was devastated. A treaty was negotiated by our Government with President Dartiguenave shortly after his election to "aid the Haitian people in the proper and efficient development of its agricultural, mineral, and commercial resources, and in the establishment of the finances of Haiti on a firm and solid basis." Provision was made for the appointment by the President of Haiti, upon the nomination of the President of the United States, of a general receiver and the necessary aids for the collection of customs dues, and of a financial adviser, who was to devise an adequate system of public accounting, aid in increasing the revenues and adjusting them to the expenses, and otherwise make recommendations in relation to economic requirements.

Conditions in Haiti have not yet permitted the withdrawal of American forces, as there is general agreement that such a withdrawal would be the occasion for revolution and bloodshed. The Government of the United States desires to effect a withdrawal as soon as this can be done consistently with the obligations it has assumed. The Government is endeavoring to improve administration and to aid in establishing the basis for a sound and stable local government. Brig. Gen. John H. Russell, who was sent to Haiti in the early part of 1922 as American high commissioner, has steadily sought to bring about improved political and financial conditions, and his endeavors have already met with almost unhopd-for success. General Russell has worked in the closest cooperation with the local government. Peace and order have been established, and there is safety of lives and property. The great mass of Haitians, who formerly had been completely at the mercy of a rapacious military oligarchy, which had exploited it to such an extent that there was no incentive but rather a real danger in producing or in owning anything beyond the merest necessities, are now free to engage in profitable activities. Graft and embezzlement have been eliminated by the customs service, and the currency has been stabilized. The public debt has been appreciably reduced. Last October this Government was instrumental in obtaining a loan of \$16,000,000 to Haiti upon favorable terms, and this has permitted the undertaking of numerous constructive works. A claims commission has been set up in Port au Prince which is disposing of foreign and internal claims for debts.

The practice of financing the government by private and public loans at ruinous terms has been discontinued and expenses have been kept within the bounds of the revenue of the country. Although the public debt has been decreased, large sums have been expended on constructive public works. Telegraph and telephone systems have been repaired and new construction has been extended to all the principal towns of the interior. Roads have been reconstructed and new construction has been undertaken so far as the financial resources of the country permit. A modern, efficient sanitation system has been installed in the seaboard cities and in some of the large interior towns. I can not attempt to enumerate all the improvements that have been attempted. They are gratifying but they are not yet adequate and much remains to be done. An American legal adviser in Haiti is now endeavoring to establish a basis for a sound judicial system. Agricultural surveys are being undertaken in order that all practicable assistance may be given for the development of the resources of the island. The Government of the United States is seeking to make its relation to Haiti beneficial to the Haitian people; it has no other aim but to establish peace and stability. It does not seek to acquire or to control the Territory of Haiti, and it will welcome the day when it can leave Haiti with the reasonable assurance that the Haitians will be able to maintain an independent government competent to keep order and discharge its international obligations.

Mr. ODDIE. Mr. President, this morning the Washington Post carried an editorial headed "The 'invasion' of Haiti," which gives a very clear and concise history of the occupation of Haiti and the reasons for it. I ask that that editorial may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Post of January 21, 1925]

#### THE "INVASION" OF HAITI

There have been periodic gusts of criticism against the occupation of Haiti by the United States. When American marines took over the island in 1915 conditions were fast relapsing into savagery in the interior country, while on the coast the breakdown of the native gov-

ernment left the population open to a reign of terror. The United States authorities first restored order and made it safe for an unarmed person to appear in public. By vigorous rule they instilled something of respect for person and property into the better-class Haitian.

They then invited the native officials from the old régime to sit in with them while they organized a government. They passed laws and explained to the Haitians what these meant. They built or helped to build schools. They established hospitals and taught native "doctors" the principles of medicine and surgery. They built roads into the wilderness of the interior and routed out the bloodthirsty bandits which haunted the forests. They sterilized pest districts and disinfected polluted waters. They set up sanitary markets and instituted the unheard-of system of drainage.

They took over the native constabulary, drilled it, armed it, and organized it into an effective military body with a patriotic morale. They preached through it the necessity that Haitians should love their country, obey their government, and protect helpless foreigners.

Finally they reorganized the finance and commerce of the island and in eight years reduced the public debt from \$32,000,000 to \$23,000,000, or over a million a year. They leave \$1,306,856 in the national treasury, a sum inspiring both pride and respect.

Should the United States have done all this or not? There can be no doubt about it. Under the obligations of the Monroe doctrine, supplemented by the Root corollary wherein this Government formally recognized the duty to remove conditions in Latin America which might give cause for European intervention, this country faced an unescapable task. In fulfilling its mission it has incurred both loss of life and millions of dollars. It leaves, in return, a stable government in the island Republic and a people conscious for the first time of the benefits of civilization and self-respect.

Mr. ODDIE. Mr. President, the discussion of this question has, to my mind, led to a very unfortunate situation. There has been for some time past criticism which I think is very unjust and unfair of our naval occupation of Haiti and a criticism of our naval officers and Marine Corps officers and men. Those men have been acting under instructions from our Government and, from my personal knowledge, they have conducted themselves in a magnificent manner. They have upheld the good name of the United States, of the Navy, and of the Marine Corps. They have had trying experiences to meet; they have had difficult problems to solve; but I feel that they have done their work well. I want it to be understood by the people of the United States and by our neighbors to the south of us that America's idea is not one of oppression or of acquiring property, but that the idea of the United States is to occupy the position of a big brother toward Haiti.

The Haitian people are better off a thousand times because of our occupation than they had been for over a hundred years. They had revolution after revolution and changes in their form of government innumerable until our occupation in 1915. Since then there has been peace and security; the people have been able to cultivate their little tracts of land and raise livestock in security; and they have confidence in us. I hope that it will not be long before they will have a stable government, so that we may remove our forces from that island. However, until that time comes—and it does not face us to-day—we must continue our occupation. It is being maintained for humanitarian purposes and not for the purpose of exploitation.

Mr. President, I trust that the amendment offered by the Senator from Utah will not prevail. The Senator is guided by altruistic motives in his statements, but we differ as to the reason for the occupation, its character, and its results.

The PRESIDING OFFICER. The question is on the amendment offered by the junior Senator from Utah [Mr. KING].

Mr. KING. Mr. President, having presented at some length my views in regard to this matter, it is not necessary that I consume but a few moments in replying to the Senator from Nevada. With all due respect to the Senator, I venture to assert that the record will not support all of the positions which he has taken, and I can not assent to the conclusions which he has reached.

Whenever the question is presented involving the occupation of the territory of a weak state by a strong state, there will always be eloquent contenders for the right of possession and subtle and sophisticated arguments—many of which will be persuasive—will be urged in behalf of the assertion of the right to control.

The Senator did not answer my question respecting "international agreements entered into," under which possession was taken by the United States, of Haiti. I inquired, when he was speaking, what international agreements had been entered into, and by what nations, and whether such agreements had received the sanction of the Haitian people? I repeat, the Senator has not answered my inquiry.

I now inquire what nations agreed to invade Haiti, and upon what basis do such agreements rest? Has their validity been accepted by Haiti? Do such agreements meet with the approval of the Haitian people? I deny the right of any nation to barter away the territory of another nation, or to impose upon a weak people a form of government which is distasteful to them, even though it may be a better form of government than that which they possess.

The Senator states that we have been actuated by "humanitarian motives" in our occupation of the island. Mr. President, that is always the plea of the strong nation when it oppresses the weak or seizes the territory belonging to another people. Many crimes have been committed in the name of "humanity," and high altruistic motives have often been urged as an excuse for tyrannous and oppressive acts. Many of the most tyrannical acts recorded in history have had a multitude of apologists, and plausible reasons have been submitted in justification. The devil can quote Scripture, it is said, and wrongs have often been dressed in the apparel of virtue.

Haiti does not belong to the United States. It is inhabited by people who are different from the great majority of this Republic. They want their independence and desire to establish a government of their own. Perhaps their government was not a good government. Undoubtedly, it has not always served the interests of the people well. The Haitian people have at times had bad and vicious rulers, and injustices have been perpetrated for which no defense can be made. The same may be said of other nations. The progress of the world has been slow, and even the best governments have had serious imperfections, and people living under them have been subjected to indignities and wrongs, which may not be defended.

Mr. President, the principles of evolution, as revealed in the biological world, manifest themselves in political institutions and in humanity's development. The history of the human race is one of tragedy, and the wrecks of nations and the obliteration of civilizations bear testimony to the conflicting forces which have battled to prevent the triumph of justice and freedom. Centuries must lapse before all the people of the world emerge from darkness into the sunlight of justice and righteousness. One of the obstacles to human progress has been the imperialistic attitude of the strong nations and of ambitious peoples. There have been peoples who lusted for power and conquest and who believed there was no moral law to govern nations or to guide and control the international relations of the world.

There are still believers in the philosophy—the cold and cynical philosophy—of Nietzsche. They see in the state the personification of power freed from all moral restraints and endowed with authority to seek its own nationalistic ends regardless of the rights of other states or the peoples of other lands. The World War, it was hoped, ended this baneful philosophy and developed the theory that nations are merely aggregations of individuals and must be governed by the ethical and moral principles which define and determine human conduct and human relations.

The state may not be an outlaw or above law. It must move within the limits of justice and be governed by the moral principles which abide in the world, and strong nations in their dealings with small nations must be more scrupulous, if possible, in the observance of those high principles of honor and rectitude which must obtain among nations if liberty and justice are to be the inheritance of humanity. I protest against the political materialism which is taught and practiced and plead for the triumph of those nobler principles which find expression in the spiritual truths of revealed religion and reign in the hearts of righteous and just men and women throughout the world.

Mr. President, I concede that the Haitian people have not exhibited the capacity for self-government which has been found among many other people. It is true their progress has been slow, and that under their government many injustices were perpetuated and many wrongs condoned. It is true they have had revolutions, and that Presidents were assassinated, and many cruelties practiced. It is true that there was great ignorance upon the part of a majority of the people of the country, and that there was much lacking essential to the happiness and welfare of the people. But other peoples and other nations have dwelt in the shadow and their paths had been marked by bloodshed, internal convulsions, and grim and awful tragedies. It is the way of life. It is the slow and painful method by which men and people emerge from the darkness.

We must remember the beginnings of the Haitian Government, and the race to which the great majority of the inhabi-

tants of Haiti belong. They were slaves, but even in slavery desired freedom, and under a great leader emancipated themselves from foreign dominion. They set up a government and embarked upon a national career amidst perplexities and difficulties which at times threatened to wreck their enterprise and to destroy their government. They were functioning as a government under a written constitution which contained wise and just provisions when the United States seized possession of Haitian territory and overturned the Haitian Government.

I repeat, Mr. President, what I stated this morning, that we had no right to invade Haitian territory, and we certainly had no right to impose a hard and cruel treaty upon the Haitian people under which we have claimed the right to occupy the Haitian state and control the government which we established. The Senator said there was an international understanding. This I do not admit, but if there were such an understanding it did not and could not bind Haiti. Nor could a small fraction of designing politicians living in Haiti speak for the Haitian people or barter away their liberties. What governments had the right to join with the United States in an "agreement" to place Haiti under the dominion of the United States?

It is said that we went there because we believed Germany might use Haitian harbors as naval bases for submarine activities when the World War was in progress. It is possible that Germany did so contemplate prior to the United States entering the war. Under the Monroe doctrine it may be claimed that the United States had the right to prevent Germany from using Haitian harbors for the purposes just mentioned. However, if we base our occupancy upon an assertion of the Monroe doctrine, there must be proof that the integrity of Haiti was threatened by a foreign power, and that our strong arm was interposed, not to seize and control Haiti and subject her people to military control by our Government, but only to warn off threatened dangers and guard the territorial integrity of the Haitian Republic.

The Monroe doctrine, Mr. President, may not be perverted and used as a pretext to justify aggression by our Government or the infringement of the sovereign rights of states upon the Western Hemisphere. As I understood the Senator, he interpreted the Monroe doctrine as authority under which the United States could seize Haiti and San Domingo and exercise unlimited control for an indefinite period.

Mr. President, the misinterpretation of the Monroe doctrine has been the occasion of anxieties and fears upon the part of some of our Latin neighbors. It is important that it be justly and properly interpreted, otherwise it will be a recurring cause of offense and a haunting specter threatening the amicable relations which should exist between this Republic and the Republics to the south of us. I repeat, we may not invoke the Monroe doctrine to justify the seizure of territory on this hemisphere or to impose upon the peoples found therein a government of our choice. But I discussed this question, Mr. President, earlier in the day and can not pursue it further.

The Senator states that it is unfair for me to criticize the marines and the Navy Department because of their activities in Haiti. Mr. President, I did not utter a word of criticism of the marines or of the work of the Navy Department. I have been criticizing policies and what I have believed to be an unwise course upon the part of the United States in its dealings with Haiti and San Domingo and certain Central American states.

The marines acted under instructions given them. They performed their duty as they saw it and carried out the instructions which were given them. I have no disposition whatever to criticize their conduct. They were sent to take possession of Haiti, to seize strategic points, and to resist any efforts made by the Haitian people to regain possession of their country or control of their government.

And the Navy Department was acting under instructions of the Executive, and the officers of the Navy in their dealings with Haiti and the Haitian people only did their duty and for them I have no criticism. I repeat, I do criticize the overthrow by force of the Haitian Government and the setting up of a puppet régime which assented to a treaty dictated by the United States and the terms of which attacked the sovereignty of Haiti and subjected the Haitian people to foreign control for an indefinite period.

The Senator says that the Haitian people are a thousand times better off now than before the United States sent its military forces to the island. I do not know the standard adopted by the Senator to measure their progress from the low and degraded position which he attributes to them at the time of American occupation and the high state of felicity which he would have us believe they now enjoy under the military

control of the United States. Does he mean they are better off financially or physically? Does he mean that their feelings toward the United States are more friendly now than before? Mr. President, I think the Senator did not speak in terms of moderation. Undoubtedly, through the expenditure of large sums which, by the way, the Haitian people have to pay, roads in Haiti have been improved and some advancement has been made in various directions. But it would be folly to say that the Haitian people would have made no advancement if they had had control of their own affairs since the year 1915. History records that many conquerors laid heavy burdens upon conquered peoples, built roads and assisted in the physical and material advancement of the people, but in most instances reactions occurred and the final results proved that but little or any value survived.

Mr. President, there are many Haitians of culture and education; lawyers of eminence, and many professional men are found among the Haitian people. They are devoted to their country and are competent to hold high official positions and discharge with fidelity the duties which such positions would entail. I frankly admit that neither they nor others within the Haitian state could give the Haitian people as progressive and as liberal a form of government as that which we enjoy, or which may be found in many other countries in the world. But whatever government they maintain would be their own.

I submit that in this age of democracy people have the right to choose their own government, and the right of people to determine the kind of government under which they live may not be abridged or destroyed. Many supposed that imperialistic policies had received a mortal thrust as a result of the World War, but we still find in many parts of the world imperialism, perhaps in a little different guise, but nevertheless having the same body and characteristics and seeking the same ends.

The Senator from Nevada, if I interpret him aright, declares that we have inaugurated reforms in Haiti, and have given them a better government than that which they could devise. Concede this to be true, it is not in my opinion sufficient justification for our aggressive acts, or for our continued military occupation of Haitian territory.

I repeat when I say that every act of conquest has been accompanied by pious protestations upon the part of the conquering nation, that it sought the physical and moral well-being of the subjugated people. And undoubtedly in many cases under the rule of the conqueror increased prosperity came to the people. But in most instances seeds of discord and hate were sown, the fruits of which persisted for centuries. The Haitian people believe that our acts have not been wholly unselfish; and that the expenditures made have not brought adequate returns. Their representatives have carried the word to other states that this Republic is imperialistic, and that it covets the rich inheritance which the people of Haiti have won through the courage and valor of their forefathers 100 years ago.

Mr. President, it is a dangerous thing to invade another country for "humanitarian" reasons. That danger is increased when the invading power is strong. It weakens its influence among the nations, especially when it has claimed to have been the champion of liberty and the evangel of a new faith and the inaugurator of a new era.

Mr. President, in my opinion, our duty is clear. We should announce to the people of Haiti that on the 1st of July we shall withdraw from the island; and that in the meantime we will render them every aid possible in setting up the necessary machinery to take over the control and government of their country upon American evacuation.

Mr. ODDIE. Mr. President, if the Senator from Utah will examine the records of the Navy Department proceedings during 1915, at the time the occupation started, he will find, I think, an answer to his question in regard to the international understanding. The French and German forces were there at the start. It is a well-known fact that if the United States had not acted, one of the foreign nations would have taken charge of Haitian finances, their customs and revenues, in a very short time.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Utah [Mr. KING].

The amendment was rejected.

Mr. KING. Mr. President, I shall not ask for a division, because I know the temper of the Senate. I shall not say the Senate is imperialistic. That would be unparliamentary. It might be untrue. I shall say, however, with due respect to my colleagues, that I think they fail to appreciate the great opportunity which we have in this particular instance to emphasize

the high purposes of this Government. I think we are losing an opportunity to bring to the United States the friendship and the love of the Latin-American republics.

Mr. BRUCE. Mr. President, may I interrupt the Senator for just a moment?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Maryland?

Mr. KING. I yield.

Mr. BRUCE. I should like to ask the Senator whether he has ever had any occasion to make any particular study of the conditions existing in Haiti from personal experience and observation?

Mr. KING. Mr. President, the able Senator from Maryland asked me the same question a few moments ago in private conversation, and I told him "Yes"; and the able Senator called my attention to a book which had been written in regard to Haiti which I had read. I said to the Senator then, and I say to him now, that I have made some study of conditions in Haiti. I visited the island. I have read a vast amount of literature in regard to Haiti. I have read of the glorious struggles of the Haitians more than a century ago, for their independence. I have read of the tragic pages of blood and sorrow that have been written by cruel men in Haiti. I am familiar with all that.

Mr. BRUCE. I should like to ask the Senator, if he will allow me, whether he can recall just how many of the rulers of Haiti have died peacefully in their own beds?

Mr. KING. The Senator propounded this same question to me in the conversation just referred to. I stated to him then, as I state now, that many of the Haitian Presidents were assassinated. Senators know that many rulers in many countries have been denied peaceful deaths. Cruel and oppressive rulers have met cruel fates in all ages, and many benevolent and progressive kings and monarchs have met untimely ends through the ignorance and barbarism of their peoples. I am not defending many of the pages written by the Haitians. These pages are blurred and reddened by sanguinary acts, and I believe that if we should withdraw from the island there would be sporadic outbreaks, factional strife, and possible revolution.

There have been revolutions in Mexico and in many of the Latin-American Republics. Presidents and rulers in these revolutions have often met sanguinary fates. Mexico, as the Senator knows, is a child of revolutions, and many of its Presidents have been deposed and some have been assassinated. Intervention is not justified, except in rare instances, because of internal struggles within States, or great convulsions which even shake the foundations of their government. The people of this Republic welcomed the South American revolution which emancipated the people of Mexico, Central and South America from Spanish dominion. Eloquent speeches have been delivered from time to time in Congress encouraging the Poles, the Hungarians, the Greeks, and other European peoples in their efforts to establish governments of their own.

Mr. President, revolutions, even though they have been accompanied by bloodshed and often by atrocities and assassinations, have been blows struck at autocratic government, and have laid the foundations of more liberal government, though such foundations have been laid in blood. Even in our own Republic, dedicated to liberty, there was a mighty conflict, appalling in its magnitude, which destroyed hundreds of thousands of the flower of American manhood and imposed financial burdens upon the people which persist even until this day.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KING. Let me add, Mr. President, that because of the revolutions and conflicts in Mexico, cruel and bloodthirsty as some of them were, I can not believe that any American would advocate that it was the duty of the United States to take possession of Mexico and set up a military government under the authority of the United States.

The people of Mexico must work out their own problems and laboriously and painfully work their way up the difficult mountain to the heights where peace and freedom and prosperity are found. It may be a century, it may be two centuries, no one can tell when that happy condition will be reached. Our duty is to offer encouragement, to treat with patience their transgressions which may affect our peace, or trespass upon the rights of our nationals. Mexico belongs to the Mexicans and they deserve the sympathy of the American people in their efforts to solve the agrarian and other difficult problems which lie along their pathway.

Mr. BRUCE. Mr. President, may I ask the Senator another question, if he has not grown impatient?

Mr. KING. I never become impatient with the Senator. I yield to him.

Mr. BRUCE. I reciprocate that condition with respect to the Senator from Utah.

Mr. KING. I think, however, the Senator from Maine [Mr. HALE] is getting impatient with both of us, as he is anxious to pass the naval bill.

Mr. BRUCE. I should like to ask the Senator how many roads there were in Haiti when the American occupation took place. My information is that there was nothing there but bridle paths.

Mr. KING. That is not quite accurate. I will concede to the Senator, so as to avoid further questioning—

Mr. BRUCE. Let me ask one more question?

Mr. KING. Certainly.

Mr. BRUCE. I should like to ask the Senator what real measure of personal liberty there was in Haiti at the time of the American occupation.

Mr. KING. Mr. President, the Senator has propounded two questions. I concede that the roads were limited in number, and that large sums have been expended since the Americans have been in control of Haiti in the construction of roads and highways, but as I have heretofore stated the payment for these improvements must be made by the Haitian people. I also concede that many of the Haitian rulers were cruel and imposed upon the people unjust laws which deprived many of them of their liberty. But conceding all that and more, I still insist that the United States has no right to control the Haitian people by military force, or to set up a form of government at variance with the Haitian constitution which our acts suspended, if they did not destroy.

Mr. BRUCE. Mr. President, it seems to me the Senator from Utah is very much like the English—

Mr. KING. If the Senator wants to ask a question, all right. He can make a speech afterwards.

Mr. BRUCE. I was just asking my question in a little different form for a minute. I hope the Senator will not interrupt me in it.

Mr. KING. If it is a comparison of my views with some other views, it is not a question.

Mr. BRUCE. No; I was just endeavoring to illustrate my point. The Senator's reading is so incessant and wide that I am sure he will recollect that some time ago a very ardent opponent of prohibition in England said that he would much rather be free than sober; so I assume that the point of view of the Senator is that it is much better for Haitians to be free than civilized.

Mr. KING. I do not admit the pertinency of the Senator's illustration. I want the Haitians both free and civilized, and freedom and civilization will be sooner realized if they are not held under the control of another power. An imposed civilization is too often a superficial one. It is a very thin veneer which is removed when brought into contact with the actualities and the realities that the progressive and educational forces in life present for the consideration of the people. The Haitians are not free under our rule. If they are not civilized, how long will it take us to civilize them? Shall we remain until they reach the standards of civilization which fastidious Americans prescribe? Ah! Mr. President, the oppressor always urges as an excuse for his assertion of control over a weak and defenseless people that they are incapable of governing themselves and that their interests will best be served by submission to an alien power. In so doing they will sooner take on the culture of civilized nations, particularly the alien power—a culture which it is claimed they could not obtain under any processes of government which they might devise or set in motion.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. McKELLAR. I want to ask just a question.

Mr. KING. Very well.

Mr. McKELLAR. Is it true that the Haitians practice cannibalism? And is it true that several years ago while the marines were down there they served up one or more American marines for food? I have heard that statement a number of times, and I was wondering whether there was any basis for the statement.

Mr. KING. Mr. President, the testimony before a committee appointed by the Senate to investigate conditions in Haiti, as I now recall, showed that in some of the mountainous districts of Haiti there were persons who were semicivilized. However, an American minister who testified stated, as I remember his testimony, that he had traveled in every part of the island and had come into contact with the people in the darkest and most remote sections of the country. He declared that they were kindly disposed, hospitable, and possessed of many admirable qualities. In the remote sections of the island, where there

was the least progress and development, the inhabitants were childlike in their simplicity, but were receptive to the religious instructions which were imparted. I think the testimony showed that in a few sections of the island voodooism was believed in, and a number of arrests were made because of alleged cannibalistic practices. Undoubtedly there is much ignorance among the great majority of the inhabitants of Haiti; but there are thousands of educated men and women, many who have received their instructions in the best universities of Europe, and they are deeply interested in the welfare of their country. At the time of the American occupation there were many other signs of improvement and progress which promised better conditions and more rapid advancement.

I believe the gruesome statement to which the Senator refers in connection with the marines is a pure fiction. The Senator's question would imply that there were no marines now in Haiti. The fact is that there are still approximately 1,300 marines. In the early days of our occupancy of the island there were several thousand marines. Their presence was resented by the Haitians, and a war was carried on for some time which resulted in the death of between three and four thousand inhabitants of the island.

Returning to the question of the Senator from Maryland. In considering the question before us we must remember the origin of the Haitian nation and the difficulties which the Haitian people have been compelled to encounter. The great majority are Negroes. They were in bondage for many years, and when they won their independence they found themselves with but few resources and few leaders. They were without education, without knowledge of government, without the traditions which many civilized people inherited and which were such powerful aids to progress. They had to build de novo. To expect immediate and great progress, intellectual or otherwise, would be to expect the impossible. That they have made progress can not be denied; that their progress will be greater in the future all must admit. They set up a republican form of government and they painfully and patiently set to work to develop conditions which would permit the enjoyment of political and economic freedom.

Mr. President, I submit that we are offering impediments to the accomplishment of their purposes. A military dictatorship has interrupted the stream of their national life, and imposed an abnormal condition, the effects of which may not at this time be determined. I am pleading only for the right of self-government, for the right of people, whether white or black, to have their own freedom in their own way, to work out their own problems, unafraid, and undeterred by the power and might of a great nation. This Nation has not been made the policeman for the world. It is not a modern Don Quixote to redress the evils and ills of the world. It may not prescribe the standard which is to be applied throughout the world. This Republic has its own problems, and there are many persons in other countries who feel that we are not solving all of our problems in a satisfactory manner. We have economic problems and racial problems.

The complexities of modern life, together with the varied conditions existing in our own country, press upon us problems of a most serious and important character. This Republic, more than any other nation, should set an example of unselfishness. It should lend its mighty influence to dilute, if not destroy, the spirit of imperialism and the covetous and sinister designs which so often manifest themselves in the international relations of the world. And at this particular hour our attitude toward Latin America should be such as to command not only the respect of its people but their affection. We should impress upon them that we do not seek their territory, nor will we infringe upon the sovereign rights of their governments. Our course should be such as to constrain them to recognize in this Republic a true and sincere friend who wishes to live in peace and amity with all people and to contribute to the advancement and prosperity of all nations and to the peace of the world.

The PRESIDENT pro tempore. The bill is in Committee of the Whole, and still open to amendment.

Mr. KING. Mr. President, it was my purpose to discuss various features of the naval bill, and particularly the matters involved in the recent criticisms of our Navy. I wanted to discuss the question of gun elevation, the effect of the limitation of arms treaty, and the condition of our battleships, airplanes, and submarines. I was prepared to speak upon these questions at this time. I wanted to give my views upon the weaknesses of our Navy and upon what our naval policy should be; but the lateness of the hour, and the fact that I have consumed so much time to-day, and the impatience of the

Senator from Maine to pass the bill compel me to pretermitt my purpose. I warn him, however, that when he brings in the next bill relating to naval matters, I shall tell him what I think of the Navy.

The PRESIDENT pro tempore. If there are no further amendments, as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### ORDER OF BUSINESS

Mr. McNARY and Mr. BURSUM addressed the Chair.

The PRESIDENT pro tempore. The Senator from Oregon.

Mr. McNARY. I should like very much at this time to propose the consideration of a conference report. However, I feel some embarrassment on account of the fact that I promised the Senator from Ohio [Mr. WILLIS] that I would not call it up when he was not on the floor or that I would suggest the absence of a quorum if he were not present.

Mr. CURTIS. There are a couple of treaties upon the Executive Calendar, and the chairman of the Committee on Foreign Relations is very anxious to have them acted upon in executive session this afternoon. I hope the Senator will not make the point of no quorum. I would like to have an executive session to consider those treaties.

Mr. McNARY. Mr. President, I am always desirous of being obliging—

The PRESIDENT pro tempore. The Chair desires to state to the Senator from Kansas that the Senator from Oregon was recognized because he was first on his feet, but the Senator from New Mexico [Mr. BURSUM] was claiming the recognition of the Chair about the same time, and the Chair feels that after the recognition of the Senator from Oregon he will be compelled to recognize the Senator from New Mexico.

Mr. McNARY. In view of the statement made by our distinguished leader, I am very happy to withhold my request.

Mr. KING. Then I shall feel constrained to ask for a quorum. I do not want to do so, if the Senator from Kansas desires to move that the Senate go into executive session. I withhold my suggestion of the absence of a quorum.

Mr. CURTIS. In view of the statement made by the Chair, of course, I suppose the Senator from New Mexico will next be recognized.

The PRESIDENT pro tempore. The Chair recognizes the Senator from New Mexico.

Mr. KING. I suggest the absence of a quorum.

Mr. CURTIS. I ask the Senator to withhold the call for a quorum so that I may see if I can not get an agreement for an executive session.

Mr. KING. I withhold the suggestion for a moment.

Mr. CURTIS. I ask the Senator from New Mexico if he will not let his matter go over until to-morrow morning. We must have an executive session to-night.

Mr. BURSUM. Mr. President, the other day the Senate had under consideration Senate bill 33, making eligible for retirement under certain conditions officers of the Army of the United States other than officers of the Regular Army who incurred physical disability in line of duty while in the service of the United States during the World War. It was considered for about an hour and a half. I gave notice yesterday that I would submit a motion to make that bill a special order. I am anxious that it shall be considered. I am not especially interested in the day when it shall be brought up—I would like to make it convenient for all—but the bill was on the calendar at the last session and has been on the calendar for something like a year and certainly is entitled to receive consideration at the hands of the Senate and be disposed of.

Mr. CURTIS. Will the Senator suggest some date which would be agreeable?

Mr. BURSUM. I would say next week some time—say Tuesday, at 2 o'clock.

Mr. KING. Mr. President, I will say very frankly to the Senator from New Mexico that I am opposed to the bill. I think it is a bad bill. I think it would be an entering wedge to legislation which would cost the Government of the United States not only millions of dollars but tens and tens of millions of dollars. It ought to be defeated, and I shall use all legitimate parliamentary means to defeat it.

Mr. BURSUM. Mr. President, the Senator from Utah does not think that the Senate would do anything bad, does he?

Mr. KING. If the Senator is asking my opinion about our infallibility, I will say that we are very fallible.

Mr. BURSUM. Surely the Senate is strong enough to resist any measure that would be outrageously bad. All I am asking is that an opportunity be given to vote on the bill; that is all.

Mr. KING. I regret that the Senate has not been able to resist the outrageously bad legislation suggested by the able Senator from New Mexico.

Mr. BURSUM. This is a government of majorities. If the majority desires the bill, there should be an opportunity afforded to the majority to vote on it.

The PRESIDENT pro tempore. There is no question before the Senate.

Mr. KING. I suggest the absence of a quorum.

Mr. BURSUM. I move that the Senate—

The PRESIDENT pro tempore. The Senator from Utah has suggested the absence of a quorum.

Mr. BURSUM. May I finish what I am saying?

The PRESIDENT pro tempore. The Secretary will call the roll.

Mr. KING. I will withhold the suggestion, if the Senator is not making a motion.

Mr. BURSUM. I was on my feet to make a motion.

Mr. KING. Then I insist on my call for a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ball	Edwards	McKellar	Ransdell
Rayard	Ernst	McKinley	Reed, Pa.
Bingham	Ferris	McLean	Sheppard
Borah	Fess	McNary	Shipstead
Broussard	Fletcher	Mayfield	Shortridge
Bruce	Frazier	Means	Simmons
Bursum	Hale	Metcalf	Smith
Butler	Harrell	Moses	Smoot
Cameron	Harris	Neely	Spencer
Capper	Harrison	Norris	Swanson
Caraway	Heflin	Oddie	Underwood
Copeland	Johnson, Calif.	Oberman	Wadsworth
Couzens	Kendrick	Pepper	Walsh, Mont.
Cummins	Keyes	Phibbs	Wheeler
Curtis	King	Pittman	Willis
Dial	McCormick	Ralston	

The PRESIDENT pro tempore. Sixty-three Senators have answered to their names. There is a quorum present.

Mr. BURSUM. Mr. President, on account of the fact that the motion I was about to make will probably cause some debate, and in order to accommodate those who desire to have some matters of importance taken up in executive session, I will postpone making the motion until to-morrow. I shall submit the motion at the first opportunity.

#### EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 20 minutes spent in executive session the doors were reopened.

#### ADJOURNMENT

Mr. CURTIS. I move that the Senate adjourn.

The motion was agreed to; and the Senate (at 4 o'clock and 25 minutes p. m.) adjourned until to-morrow, Thursday, January 22, 1925, at 12 o'clock meridian.

#### CONVENTION WITH SANTO DOMINGO TO REPLACE CONVENTION OF 1907

In executive session this day, the following convention was ratified, and, on motion of Mr. BORAH, the injunction of secrecy was removed therefrom:

##### To the Senate:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention between the United States and the Dominican Republic, signed December 27, 1924, to replace the convention of February 8, 1907, between the two countries.

The attention of the Senate is invited to the explanatory statement regarding the new convention made in the accompanying report of the Secretary of State.

THE WHITE HOUSE,

Washington, January 2, 1925.

CALVIN COOLIDGE.

##### The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a convention between the United States and the Dominican Republic, signed Decem-

ber 27, 1924, to replace the convention of February 8, 1907, between the two countries, a copy of which is also inclosed.

For the information of the Senate the following explanatory statement is made: The convention now submitted has been concluded to meet the desire of the Dominican Government to effect a new agreement in view of the financial provisions of the convention of 1907, and in order to facilitate the flotation of a new loan on more favorable terms which will refund the outstanding issues of 1908, 1918, and 1922, and provide additional funds for highway construction and other necessary public works.

Owing to the provisions of the convention of 1907 and of certain executive orders issued by the military government in connection with the loans of 1918 and 1922, the Dominican Government has received from the customs duties, the principal source of revenues of the Republic, only that portion under a total of \$3,000,000 that remains after the expenses of the receivership and the services of the three bond issues have been met and only 15 per cent of any amount above \$3,000,000, the remainder being devoted to the amortization of the two older issues. Under these conditions these securities are being retired much faster than the resources of the country appear to permit, and the Dominican Government is not receiving sufficient income to meet its ordinary expenditures. To overcome this the newly signed convention provides that the Dominican Republic shall receive all customs revenues up to and including a total of \$4,000,000 after deducting the expenses of the receivership and the service of the new bond issue, and 90 per cent of all income from this source above \$4,000,000. It is certain that these more liberal provisions will prove of great benefit to the Dominican Republic.

The Department of State has viewed with sympathy the desire of the Dominican authorities to obtain less onerous financial obligations for their country, provided, of course, that the new convention should contain adequate protection for the future bondholders similar to that provided in the convention of 1907. The undersigned considers that this has been accomplished in the convention.

Respectfully submitted.

CHARLES E. HUGHES.

DEPARTMENT OF STATE,

Washington, December 31, 1924.

Whereas a convention between the United States of America and the Dominican Republic providing for the assistance of the United States in the collection and application of the customs revenues of the Dominican Republic, was concluded and signed by their respective plenipotentiaries at the city of Santo Domingo, on the eighth day of February; and

Whereas that convention was entered into to enable the Dominican Government to carry out a plan of settlement for the adjustment of debts and claims against the Government; and

Whereas, in accordance with that plan of settlement, the Dominican Republic issued in 1908 bonds to the amount of \$20,000,000, bearing 5 per cent interest, payable in 50 years, and redeemable after 10 years at 102½, and requiring payment of at least 1 per cent per annum for amortization; and

Whereas additional obligations have been incurred by the Dominican Government in the form of the issuance, in 1918, of bonds to the amount of \$5,000,000, bearing 5 per cent interest, payable in 20 years, and redeemable at par on each interest date as the amount of amortization fund available on such interest dates will permit, and requiring payment of at least 5 per cent per annum for amortization; and in the form of the issuance of bonds, in 1922, to the amount of \$10,000,000, bearing 5½ per cent interest, payable in 20 years, and redeemable after 8 years at 101 and requiring payment after such period of at least \$563,916.67 per annum for amortization; and

Whereas certain of the terms of the contracts under which these bonds have been issued have proven by experience unduly onerous to the Dominican Republic and have compelled it to devote a larger portion of the customs revenues to provide the interest and sinking fund charges pledged to the service of such bonds than is deemed advisable or necessary; and

Whereas it is the desire of the Dominican Government and appears to be to the best interest of the Dominican Republic to issue bonds to a total amount of \$25,000,000 in order to provide for the refunding on terms more advantageous to the Republic of its obligations represented by the bonds of the three issues above mentioned still outstanding and for a balance remaining after such operation is concluded to be devoted to permanent public improvements and to other projects designed to further the economic and industrial development of the country; and

Whereas the whole of this plan is conditioned and dependent upon the assistance of the United States in the collection of customs revenues of the Dominican Republic and the application thereof so far as necessary to the interest upon and the amortization and redemption of said bonds, and the Dominican Republic has requested the United States to give and the United States is willing to give such assistance:

The United States of America, represented by Charles Evans Hughes, Secretary of State of the United States of America; and the Dominican Republic, represented by Señor José del Carmen Ariza, envoy extraordinary and minister plenipotentiary of the Dominican Republic in Washington, have agreed:

#### ARTICLE I

That the President of the United States shall appoint a general receiver of Dominican customs, who, with such assistant receivers and other employees of the receivership as shall be appointed by the President of the United States in his discretion, shall collect all the customs duties accruing at the several customs houses of the Dominican Republic until the payment or retirement of any and all bonds issued by the Dominican Government in accordance with the plan and under the limitations as to terms and amounts hereinbefore recited; and said general receiver shall apply the sums so collected, as follows:

First, to paying the expenses of the receivership; second, to the payment of interest upon all bonds outstanding; third, to the payment of the annual sums provided for amortization of said bonds including interest upon all bonds held in sinking fund; fourth, to the purchase and cancellation or the retirement and cancellation pursuant to the terms thereof of any of said bonds as may be directed by the Dominican Government; fifth, the remainder to be paid to the Dominican Government.

The method of distributing the current collections of revenue in order to accomplish the application thereof as hereinbefore provided shall be as follows:

The expenses of the receivership shall be paid by the receiver as they arise. The allowances to the general receiver and his assistants for the expenses of collecting the revenues shall not exceed five per cent unless by agreement between the two Governments.

On the first day of each calendar month shall be paid over by the receiver to the fiscal agent of the loan a sum equal to one-twelfth of the annual interest of all the bonds issued and of the annual sums provided for amortization of said bonds and the remaining collection of the last preceding month shall be paid over to the Dominican Government, or applied to the sinking fund for the purchase or redemption of bonds or for other purposes as the Dominican Government shall direct.

Provided, that in case the customs revenues collected by the general receiver shall in any year exceed the sum of \$4,000,000, 10 per cent of the surplus above such sum of \$4,000,000 shall be applied to the sinking fund for the redemption of bonds.

#### ARTICLE II

The Dominican Government will provide by law for the payment of all customs duties to the general receiver and his assistants, and will give to them all needful aid and assistance and full protection to the extent of its powers. The Government of the United States will give to the general receiver and his assistants such protection as it may find to be requisite for the performance of their duties.

#### ARTICLE III

Until the Dominican Republic has paid the whole amount of the bonds of the debt, its public debt shall not be increased except by previous agreement between the Dominican Government and the United States.

#### ARTICLE IV

The Dominican Government agrees that the import duties will at no time be modified to such an extent that, on the basis of exportations and importations to the like amount and the like character during the two years preceding that in which it is desired to make such modification, the total net customs receipts would not at such altered rates have amounted for each of such two years to at least 1½ times the amount necessary to provide for the interest and sinking fund charges upon its public debt.

#### ARTICLE V

The accounts of the general receiver shall be rendered monthly to the ministry of finance and commerce of the Dominican Republic and to the State Department of the United

States, and shall be subject to examination and verification by the appropriate officers of the Dominican and the United States Governments.

#### ARTICLE VI

The determination of any controversy which may arise between the contracting parties in the carrying out of the provisions of this convention shall, should the two Governments be unable to come to an agreement through diplomatic channels, be by arbitration. In the carrying out of this agreement in each individual case, the contracting parties, once the necessity of arbitration is determined, shall conclude a special agreement defining clearly the scope of the dispute, the scope of the powers of the arbitrators, and the periods to be fixed for the formation of the arbitral tribunal and the several stages of the procedure. The special agreement providing for arbitration shall, in all cases, be signed within a period of three months from the date upon which either one of the contracting parties shall notify the other contracting party of its desire to resort to arbitration. It is understood that on the part of the United States such special agreements will be made by the President of the United States by and with the advice and consent of the Senate thereto, and on the part of the Dominican Republic shall be subject to the procedure required by the constitution and laws thereof.

#### ARTICLE VII

This agreement shall take effect after its approval by the contracting parties in accordance with their respective constitutional methods. Upon the exchange of ratifications of this convention, which shall take place at Washington as soon as possible, the convention between the United States of America and the Dominican Republic providing for the assistance of the United States in the collection and application of the customs revenues, concluded and signed at the city of Santo Domingo on the 8th day of February, 1907, shall be deemed to be abrogated.

Done in duplicate in the English and Spanish languages at the city of Washington this 27th day of December, nineteen hundred and twenty-four.

CHARLES EVANS HUGHES. [SEAL.]  
J. C. ARIZA. [SEAL.]

#### CONVENTION RATIFYING AGREEMENT BETWEEN THE UNITED STATES AND THE DOMINICAN REPUBLIC

In executive session this day, the following convention was ratified and, on motion of Mr. BORAH, the injunction of secrecy was removed therefrom:

To the Senate:

I transmit herewith, to receive the advice and consent of the Senate to ratification, a convention of ratification between the United States and the Dominican Republic, as contained in the agreement of evacuation of June 30, 1922, signed at Santo Domingo on June 12, 1924.

The attention of the Senate is invited to the accompanying explanatory report by the Secretary of State.

CALVIN COOLIDGE.

THE WHITE HOUSE,  
Washington, December 18, 1924.

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a convention of ratification between the United States and the Dominican Republic, as contained in the agreement of evacuation of June 30, 1922, signed at Santo Domingo on June 12, 1924.

The following explanation of the convention is made for the information of the Senate:

During the first half of the year 1922 a commission of representative Dominican citizens, consisting of Gen. Horacio Vasquez and Messrs. Federico Velasquez E. Brache, jr., and Francisco J. Peynado, visited Washington to present their views to the Secretary of State as to the nature of an agreement which might be reached between the Government of the United States and the Dominican people which would permit of the withdrawal of the American forces of occupation and at the same time give the Government of the United States the assurances it required before making such evacuation effective. As a result of these conferences an agreement of evacuation of the Dominican Republic by the military forces of the United States

was entered into on June 30, 1922. The convention of ratification now submitted is contained in article 7 of this agreement.

This convention validates all the executive orders promulgated by the military government and published in the Official Gazette which may have levied taxes, authorized expenditures, or established rights on behalf of third persons, and the administrative regulations issued, and contracts which may have been entered into in accordance with those orders or with any law of the Republic. Inasmuch as these measures have confirmed important vested rights acquired principally by Dominican citizens from the military government during the occupation of the Republic by the military forces of the United States, the Dominican representatives who negotiated the agreement of evacuation in 1922 recognized the necessity of a convention of this nature.

The agreement of evacuation also provided that a provisional government should be set up in the Dominican Republic for the purpose of promulgating legislation to regulate the holding of elections and to provide for the reorganization of provincial and municipal governments and to enable the Dominican people to make such amendments to the constitution as they might deem appropriate and hold general elections without the interference of the military government. These provisions have all been duly carried out. The American forces have evacuated the territory of the Republic, and a constitutional government headed by President Vasquez was inaugurated on July 12, 1924.

The convention of ratification was signed at Santo Domingo on June 12, 1924, by the plenipotentiaries of both countries. It has been ratified by the Dominican Congress, which has also, in pursuance of the last paragraph of article 7 of the agreement of evacuation, passed a law recognizing independently of it the validity of the executive orders referred to in the convention.

A copy of the agreement of evacuation is attached for the Senate's further information.

Respectfully submitted,

CHARLES E. HUGHES.

DEPARTMENT OF STATE,  
Washington, December 16, 1924.

Whereas, in the month of May, 1916, the territory of the Dominican Republic was occupied by the forces of the United States of America, during which occupation there was established, in substitution of the Dominican Government, a military government which issued governmental regulations under the name of executive orders and resolutions and administrative regulations, and also celebrated several contracts by virtue of said executive orders or by virtue of some existing laws of the Republic;

Whereas the Dominican Republic has always maintained its right to self-government, the disoccupation of its territory and the integrity of its sovereignty and independence; and the Government of the United States has declared that, on occupying the territory of the Dominican Republic, it never had, nor has at present, the purpose of attacking the sovereignty and independence of the Dominican Nation; and these rights and declarations gave rise to a plan or *modus operandi* of evacuation signed on June 30, 1922, by Monseñor A. Nouel General Horacio Vasquez, Don Federico Velasquez y H., Don Elias Brache, hijo, and Don Francisco J. Peynado, and the Department of State, represented by the Honorable William W. Russell, envoy extraordinary and minister plenipotentiary of the United States in the Dominican Republic, and the Honorable Sumner Welles, commissioner of the President of the United States, which met with the approval of the Dominican people, and which approval was confirmed at the elections that took place on March 15 of the present year;

Whereas, although the Dominican Republic has never delegated authority to any foreign power to legislate for it, still it understands that the internal interests of the Republic require the validation or ratification of several of the executive orders and resolutions, published in the Official Gazette, as well as the administrative regulations and contracts of the military government celebrated by virtue of said orders or of any law of the Republic; and, on its part, the United States considers that it is also its interest that said acts be validated or ratified; for these reasons one of the stipulations in the above-mentioned plan of evacuation provides for the celebration of a treaty or convention of ratification or validation of said orders, resolutions, regulations, and contracts;

Therefore the United States of America and the Dominican Republic, desirous of celebrating the above-mentioned treaty or convention, have named for this purpose their plenipotentiaries as follows:

The President of the United States, William W. Russell, envoy extraordinary and minister plenipotentiary of the United States in Santo Domingo; and

The Provisional President of the Dominican Republic, Don Horacio Vasquez, Don Federico Velasquez y H., and Don Francisco J. Peynado, who, after having exchanged their full powers, and after having found them in due and proper form, have agreed upon the following:

I. The Dominican Government hereby recognizes the validity of all the executive orders and resolutions, promulgated by the military government and published in the Official Gazette, which may have levied taxes, authorized expenditures, or established rights on behalf of third persons, and the administrative regulations issued, and contracts which may have been entered into, in accordance with those orders or with any law of the Republic. Those executive orders and resolutions, administrative regulations and contracts are those listed below:

	EXECUTIVE ORDERS
2	205-212 inclusive
8	214
9	215
14	218
17	220
19	223-225 inclusive
23	229-231 inclusive
27	233-243 inclusive
28	245-250 inclusive
31	252
34-38 inclusive	254-260 inclusive
43	262-266 inclusive
44	269-277 inclusive
46	280-282 inclusive
48	285-298 inclusive
52	300-302 inclusive
53	304-307 inclusive
55	311
58	312
60	314-318 inclusive
61	320-322 inclusive
64	324-326 inclusive
65	328-336 inclusive
68	338-367 inclusive
69	369-375 inclusive
71	377-391 inclusive
75	393
79	395
81-85 inclusive	396
88	398
89	400
91	402-413 inclusive
92	415-433 inclusive
94	435-443 inclusive
95	445
97	447
104	449
106	451
108	454-461 inclusive
110-112 inclusive	463-489 inclusive
114	491-498 inclusive
116	500
118	502
119	504-506 inclusive
121	509
126	510
128-130 inclusive	513-517 inclusive
133-136 inclusive	519-526 inclusive
139	530
142	532-547 inclusive
143	549
145	550
146	552-556 inclusive
148-151 inclusive	558-563 inclusive
153-163 inclusive	566
166	569
168	570
169	574-577 inclusive
171	579-590 inclusive
173	593
174	594
176-178 inclusive	596
183	597
185-187 inclusive	599-610 inclusive
190-195 inclusive	612-615 inclusive
197-203 inclusive	617-629 inclusive

634-643 inclusive	761-764 inclusive
645	766
647-651 inclusive	768-775 inclusive
653-656 inclusive	777-779 inclusive
658	782
660-668 inclusive	783
670-685 inclusive	784
687	785
689	786
690	787
692-697 inclusive	789
699	790
701-703 inclusive	791
706-710 inclusive	792
712-719 inclusive	793
721	794
723-733 inclusive	795
735-738 inclusive	796
741-748 inclusive	799
750	800
752-759 inclusive	

## RESOLUTIONS

## FOMENTO AND COMMUNICATIONS

Resolution—Official Gazette No. 2790—Barahona Co.
Resolution—Official Gazette No. 2821—Santa Fe Plantation Sugar Co.
Resolution—Official Gazette No. 2845—Central Romana.
Resolution—Official Gazette No. 2849—Central Romana.
Resolution—Official Gazette No. 2850—Santa Fe Plantation Sugar Co.
Resolution—Official Gazette No. 2861—Central Boca Chica Co.
Resolution—Official Gazette No. 2862—Installation of a telephone line.
Resolution—Official Gazette No. 2911—Installation of a telephone line.
Resolution—Official Gazette No. 2911—Santa Fe Plantation Sugar Co.
Resolution—Official Gazette No. 2929—Ingenio Cristobal Colon.
Resolution—Official Gazette No. 2967—Cancellation.
Resolution—Official Gazette No. 2993—Cia. Anónima de Explotaciones. Industriales.
Resolution—Official Gazette No. 2993—San Cristobal Mining Co.
Resolution—Official Gazette No. 3008—Bentz Hnos.
Resolution—Official Gazette No. 3015—Bentz Hnos.
Resolution—Official Gazette No. 3036—Barahona Co.
Resolution—Official Gazette No. 3037—Julio V. Abreu.
Resolution—Official Gazette No. 3076—Central Romana.
Resolution—Official Gazette No. 3076—Barahona Co.
Resolution—Official Gazette No. 3093—Luis del Monte.
Resolution—Official Gazette No. 3093—Jose Mota Ranché.
Resolution—Official Gazette No. 3106—Central Romana.
Resolution—Official Gazette No. 3106—Central Romana.
Resolution—Official Gazette No. 3106—Castillo Hnos.
Resolution—Official Gazette No. 3106—Barahona Co.
Resolution—Official Gazette No. 3106—Barahona Co.
Resolution—Official Gazette No. 3121—Consuela Sugar Co.
Resolution—Official Gazette No. 3126—Sres. Noboa Hnos.
Resolution—Official Gazette No. 3129—Barahona Co.
Resolution—Official Gazette No. 3129—Consuela Sugar Co.
Resolution—Official Gazette No. 3159—Barahona Co.
Resolution—Official Gazette No. 3159—Central Romana.
Resolution—Official Gazette No. 3160—Barahona Co.
Resolution—Official Gazette No. 3162—Pardo y Ely Dorsey. Registered 1, 2, and 3.
Resolution—Official Gazette No. 3162—J. Amando Bermudez.
Resolution—Official Gazette No. 3196—Lorenzo Gautier Olives.
Resolution—Official Gazette No. 3203—Barahona Co.
Resolution—Official Gazette No. 3235—Barahona Co.
Resolution—Official Gazette No. 3242—Central Romana.
Resolution—Official Gazette No. 3243—Manuel Bermudez.
Resolution—Official Gazette No. 3274—Cia. Anónima de Inversiones Inmobiliarias.
Resolution—Official Gazette No. 3243—Cia. Anónima de Inversiones Inmobiliarias.
Resolution—Official Gazette No. 3354—Barahona Co.
Resolution—Official Gazette No. 3313—Ingenio Santa Fe de San Pedro de Macoris.
Resolution—Official Gazette No. 2786—Central Romana.
Resolution—Official Gazette No. 2787—L. E. Alvarez.
Resolution—Official Gazette No. 3358—Barahona Co.

## AGRICULTURE AND IMMIGRATION

Resolution No. 61—Official Gazette No. 2838—Declaración de Zonas Agrícolas en la Provincia de Barahona.
Resolution No. 64—Official Gazette Nos. 2853 and 2854—Declaración de Zonas Agrícolas en la Provincia de Barahona.
Resolution No. 66—Official Gazette No. 3003—Declaración de Zonas Agrícolas en la Provincia de Barahona.
Resolution No. 86—Official Gazette No. 3089—Luis Holguer. Todos los permisos de inmigración y ordenes de deportación expedidos por esta Secretaria.

Resolution No. 88—Official Gazette No. 3133—Declaración de Zonas Agrícolas en Barahona.

Resolution No. 89—Official Gazette No. 3145—Declaración de Zonas Agrícolas en la Provincia de Barahona.

Resolution No. 91—Official Gazette No. 3167—Declaración de Zonas Agrícolas en la Provincia de Santo Domingo.

Resolution No. 92—Official Gazette No. 3180—Industrial Alcohol Cia.

Resolution No. 93—Official Gazette No. 3180—Declaración de Zonas Agrícolas en la Provincia de Santo Domingo.

Resolution No. 94—Official Gazette No. 3197—Declaración de Zonas Agrícolas en la Provincia de Santo Domingo.

Resolution No. 95—Official Gazette No. 3219—Declaración de Zonas Agrícolas en la Provincia de Monte Cristi.

Resolution No. 96—Official Gazette No. 3242—Alvaro Fernández.

Resolution No. 97—Official Gazette No. 3243—Rectificación Límites Mencionados en Resolución No. 94 referente a Bani.

Resolution No. 98—Official Gazette No. 3301—Cancelando Resolución No. 97.

Resolution No. 99—Official Gazette No. 3332—Asociación de Regantes. Water titles issued by the Secretariat of State for Agriculture by virtue of Executive Order No. 318 to the following:

Domingo Rodríguez—Agua del Río San Juan, Azua.

Jesús M. Vargas—Agua del Río el Caño de Boña, Neiba, Barahona.

Alberto Perdomo—Agua del Río Plaza Cacique.

Santiago J. Rodríguez—Agua del Río Macasia, Matas de Farfán.

J. Julio Colseou—Agua del Río Birán, Barahona.

Asociación La Altigracia—Agua del Río El Manguito, Neiba.

Arbaje Hnos.—Agua del Río Macasia, Matas de Farfán.

A. Santiago—Agua del Río Macasia, Matas de Farfán.

Manuel de Pérez—Agua del Río Camana, Neiba.

Sociedad de Irrigación Los Tres—Agua del Río San Juan, San Juan, Azua.

Joaquín Gracia—Agua del Río Yaque del Sur, Barahona.

Sociedad de Irrigación Amantes de las Agricultura—Agua del Río San Juan, San Juan, Azua.

Ismael Mateo—Agua del Río de Jacabueque, Matas de Farfán.

Inomina Palmer—Agua del Río Jacabueque, Matas de Farfán.

Sociedad de Irrigación La Unión—Agua del Río San Juan, San Juan, Azua.

Sociedad de Irrigación La Unión—Agua del Río Macasia, Matas de Farfán.

Sociedad de Irrigación La Unión—Agua del Río Mario Chiquita, Neiba.

Francisco Tomillo—Agua del Río San Juan, San Juan, Azua.

Sociedad de Irrigación El Porvenir—Río Las Marias, Neiba.

Sociedad de Irrigación El Esfuerzo—Agua del Río Bani.

Sociedad de Irrigación El Progreso—Agua del Río Bani.

Sociedad de Irrigación La Voluntad—Agua del Río Bani.

Sociedad de Irrigación La Legalidad—Agua del Río Bani.

Sociedad de Irrigación El Adelanto—Agua del Río Bani.

Wenceslao Ramírez—Agua del Río Miño, San Juan, Azua.

Resolution No. 74—Official Gazette No. 3355—Luis L. Bogaert.

All letters of naturalization and permits to establish residence granted for the purpose of naturalization, in accordance with article 11 of the constitution.

All permits issued to establish legal residence in the Republic in accordance with article 14 of the civil code.

Resolution regarding the sale of the cruiser *Independencia*, under date of February 20, 1918, and the tugboat *Aguila*, under date of June 6, 1918. (Not yet published.)

Resolution—Official Gazette No. 3203, approving the increase in the tariff tax of the municipal aqueduct (Puerto Plata).

All the resolutions passed by the Ayuntamientos and approved by the military government.

## SANITATION AND CHARITY

Sanitary code published in the Official Gazette No. 3181, December 29, 1920.

## TREASURY

Circular E-105, December 8, 1919.

INTERNATIONAL CONVENTIONS ENTERED INTO DURING THE PERIOD OF THE MILITARY GOVERNMENT

## FOMENTO AND COMMUNICATIONS

Spanish-American Postal Convention of Madrid of November 2, 1920. Resolution No. 7, of March 12, 1921.

Universal Postal Convention of Madrid of November 30, 1920. Resolution No. 21 of December 31, 1921.

Universal Parcel Post Convention of Madrid of November 30, 1920. Resolution No. 32 of December 31, 1921.

Dominican-Spanish Postal Convention of November 17, 1921. Resolution No. 13 of April 29, 1922.

Pan American Convention of Buenos Aires dated September 15, 1921. Resolution No. 25 of July 26, 1922.

Resolution approving the Postal Convention between the Dominican Republic and the United States of America, under date of May 19, 1917.

ADMINISTRATIVE REGULATIONS  
FOMENTO AND COMMUNICATIONS

Departmental order, Official Gazette No. 2801, Department of Fomento Order No. 1.

- Departmental Order No. 6, Official Gazette No. 2841.
- Departmental Order No. 8, Official Gazette No. 2852.
- Departmental Order No. 10, Official Gazette No. 2856.
- Departmental Order No. 12, Official Gazette No. 2861.
- Departmental Order No. 11, Official Gazette No. 2862.
- Departmental Order No. 14, Official Gazette No. 2863.
- Departmental Order No. 15, Official Gazette No. 2868 B.
- Departmental Order No. 16, Official Gazette No. 2923.
- Departmental Order No. 19, Official Gazette No. 2933.
- Departmental Order No. 21, Official Gazette No. 2960.
- Departmental Order No. 22, Official Gazette No. 2988.
- Departmental Order No. 23, Official Gazette No. 2998.
- Departmental Order No. 24, Official Gazette No. 3026.
- Departmental Order No. 25, Official Gazette No. 3035.
- Departmental Order No. 27, Official Gazette No. 3124.
- Departmental Order No. 28, Official Gazette No. 3159.
- Departmental Order No. 29, Official Gazette No. 3192.

AGRICULTURE AND IMMIGRATION

- Departmental Order No. 2, Official Gazette No. 2992.
- Departmental Order No. 5, Official Gazette No. 3084.
- Departmental Order No. 13, Official Gazette No. 3124.
- Departmental Order No. 20, Official Gazette No. 3128.
- Departmental Order No. 21, Official Gazette No. 3128.
- Departmental Order No. 27, Official Gazette No. 3152.
- Departmental Order No. 31, Official Gazette No. 3355.
- Departmental Order No. 36, Official Gazette No. 3153.
- Departmental Order No. 38, Official Gazette No. 3159.
- Departmental Order No. 57, Official Gazette No. 3203.
- Departmental Order No. 60, Official Gazette No. 3211.
- Departmental Order No. 85, Official Gazette No. 3291.
- Departmental Order No. 89, Official Gazette No. 3328.
- Departmental Order No. 92, Official Gazette No. 3346.

INTERIOR AND POLICE

Departmental Order No. 13 granting authorization to the Junta de Caridad "Padre Billini" in order that it might contract a loan of \$15,000. (Not yet published.)

JUSTICE AND PUBLIC INSTRUCTION

Departmental Order No. 1 of 1921, under date of February 19 of the same year. (Division of "comunero lands.")

All the departmental orders of the Department of Justice and Public Instruction relative to public instruction, with the exception of Orders Nos. 5, 9, and 16 of 1917; No. 97 of 1918; and Special Order No. 1 of 1919, until the installation of the provisional government.

CONTRACTS

TREASURY

Contracts entered into between the military government and the persons listed below for the rental of urban properties of the Republic:

- Contract No. 58 with A. Humberto Aybar, under date of March 7, 1918. (One lot.)
- Contract with Selidonia Petiton Vda. Parisien, under date of December 12, 1918. (One lot.)
- Contract with Elias José, under date of December 4, 1918. (One lot.)
- Contract with Justiniano Acosta, under date of December 6, 1918. (One lot.)
- Contract with Donato Pérez, under date of December 2, 1918. (One lot.)
- Contract with Anita Buenrostro, under date of December 4, 1918. (One lot.)
- Contract with Urbano Acosta, under date of December 2, 1918. (One lot.)
- Contract with Celestino Fontana, under date of December 20, 1918. (One lot.)
- Contract with Ulises Cuello, under date of May 26, 1919. (One lot.)
- Contract with Alejandro Deño, under date of May 26, 1919. (One lot.)
- Contract No. 59 with Augustin Hernández, under date of July 21, 1919. (One house.)
- Contract No. 60 with R. O. Galvan, under date of October 31, 1919. (One lot.)
- Contract No. 61 with Pablo Gobaira, under date of November 11, 1919. (One lot.)
- Contract No. 62 with Abelardo José Romano, under date of November 11, 1919. (One lot.)
- Contract No. 63 with Jorge Bazil, under date of November 11, 1919. (One lot.)
- Contract with Earle T. Fiddler for the extraction of sand and other products.

Contract No. 1 with Francisco J. Peynado, under date of December 14, 1917; rental of house No. 33 de la Calle José Reyes.

Contract No. 2 with Feliz Gonzalez, under date of January 1, 1918; transfer service in the Port of Macoris.

Contract with Francisco J. Peynado, No. 4, under date of April 12, 1918; rental of house No. 46 de la Calle Mercedes.

Contract No. 5 with Alej. Penso, under date of December 17, 1918; rental of house No. 15 Calle Beler and the upper floors of house No. 13/36 de la Calle Beler, corner of Comercio, both in Santiago.

Contract No. 6 with J. L. Manning, under date of July 12, 1919. (Designating International Banking Corporation as depository of Government funds.)

Contract No. 8 with the La Fé Lodge, under date of September 29, 1919: Rescinding a rental contract covering the building known by the name of "Logia La Fé."

Contract No. 9 with Ig. Cat. Apostólica Romana, under date of September 25, 1919: Establishing an agreement pending the determination of ownership of the buildings annexed to the Iglesia de Regina.

Contract No. 26 with Suc. Juan Nieves Reyes, under date of June 4, 1920: Transfer of rights to a tract of land in Nigua.

Contract No. 27 with Agapito, Lorenzo, and Mercedes Ant. Reyes, under date of June 27, 1920: Purchase of land in Nigua for the National Leper Colony of Nigua.

Contract No. 29 with Alberto Ascensio, under date of October 1, 1920: Rental of a piece of land located in Santiago in Bella Vista which measures 96 tareas. (The Government is the renter.)

Contract No. 30 with Junta Fábrica Iglesia del Rosario in Moca, under date of September 36, 1920: Payment of \$32,315.52 in order that the board might relieve the Government of all responsibility occasioned by executive order No. 420 and its amendments.

Contract No. 31 with Junta Fábrica Iglesia Salcedo, under date of October 5, 1920: Payment of \$26,400 in order to relieve the Government of all claims by reason of executive order No. 420.

Contract No. 32 with Melendez y Godoy, under date of March 14, 1921: Payment of \$85,891 in order that the Government might be relieved of all claims by reason of executive order No. 543.

Contract No. 35 with R. M. Lepervanche, under date of March 16, 1921: Printing stamps.

Contract No. 34 with R. M. Lepervanche, under date of February 11, 1922: Printing stamps.

Contract with Divanna-Grisolia & Compañía, under date of November 18, 1920: Purchase and sale of tobacco.

Contract with Grace & Co., under date of November 18, 1920: Purchase and sale of tobacco in Europe.

Contract with Grace & Co., under date of September 29, 1919: Purchasing agency.

Contract with Frank L. Mitchell, under date of September 19, 1921: Construction of a pump and installation of piping for pumping salt water.

Contract with Frank L. Mitchell, under date of March 16, 1921: Construction of a railroad bridge.

Contract with Gaetan Bucher y Nicolas Cortina, under date of March 4, 1921: Construction of warehouses.

Contract with Frank L. Mitchell, under date of March 16, 1921: Construction of a wharf.

Contract with G. H. Lipplitt, under date of September 3, 1920: Installation of a pipe line for molasses.

Contract with Lee, Higginson & Co., under date of April 4, 1922: Loan of \$6,700,000.

Contract with the Compañía de Mieles Dominicana C. por A., under date of March 25, 1922: Extension of the concessions and for a pipe line for molasses.

FOMENTO AND COMMUNICATIONS

All the contracts existing between the department of fomento and communications and other persons for the rental of buildings for post offices in force on the date of the installation of the provisional government.

Mark Engineering & Contracting Co.: Contract dated August 23, 1921, for construction Barahona market.

Chief of surveyors (land survey): Four contracts which have been made for the advance of funds, as follows:

- (a) Central Romana (Inc.), June 29, 1921.
- (b) Barahona and allied companies, December 31, 1921.
- (c) Ingenio Santa Fe, March 3, 1922.
- (d) Ingenio Santa Fe, May 16, 1920.

INTERIOR AND POLICE

Contract between the military government and the commune of Azua for a loan of \$20,000 (veinte mil pesos) at a rate of interest of 5% under date of December 31, 1919.

Contract between the commune of Azua and the International Banking Corporation for a loan of \$15,000 (quince mil pesos), under date of December 31, 1919.

Cancellation under date of June 8, 1920, of the loan of \$15,000 (quince mil pesos) with the International Banking Corporation mentioned above.

Loan of the military government to the commune of Azua of \$15,000 (quince mil pesos) at a rate of interest of 5%, under date of June 8, 1920.

Contract between the commune of Barahona and the military government for a loan of \$25,000 (veinticinco mil pesos) at a rate of interest of 5%, under date of April 8, 1920.

Contract between the commune of Villa Mella and the military government for a loan of \$14,650 (catorce mil seis cientos cincuenta pesos) at a rate of interest of 5% under date of May 25, 1920.

The Dominican Government likewise agrees that those executive orders, those resolutions, those administrative regulations, and those contracts shall remain in full force and effect unless and until they are abrogated by those bodies which in accordance with the Dominican constitution can legislate. But this ratification, in so far as concerns those of the above-mentioned executive orders, resolutions, administrative regulations, and contracts which have been modified or abrogated by other executive orders, resolutions, or administrative regulations of the military government, only refers to the legal effects which they created while they were in force.

The Dominican Government further agrees that neither the subsequent abrogation of those executive orders, resolutions, administrative regulations, or contracts, or any other law, executive order, or other official act of the Dominican Government, shall affect the validity or security of rights acquired in accordance with those orders, those resolutions, those administrative regulations, and those contracts of the military government; the controversies which may arise related with those rights acquired will be determined solely by the Dominican courts, subject, however, in accordance with the generally accepted rules and principles of international law, to the right of diplomatic intervention if those courts should be responsible for cases of notorious injustice or denial of justice. The determination of such cases in which the interests of the United States and the Dominican Republic only are concerned shall, should the two Governments disagree, be by arbitration. In the carrying out of this agreement in each individual case the high contracting parties, once the necessity of arbitration is determined, shall conclude a special agreement defining clearly the scope of the dispute, the scope of the powers of the arbitrators, and the periods to be fixed for the formation of the arbitral tribunal and the several stages of the procedure. It is understood that on the part of the United States such special agreements will be made by the President of the United States, by and with the advice and consent of the Senate thereto, and on the part of the Dominican Republic shall be subject to the procedure required by the constitution and laws thereof.

II. The Dominican Government, in accordance with the provisions of Article I, specifically recognizes the bond issue of 1918 and the twenty-year five and one-half per cent customs administration sinking fund gold bond issue authorized in 1922 as legal, binding, and irrevocable obligations of the Republic, and pledges its full faith and credit to the maintenance of the service of those bond issues. With reference to the stipulation contained in article 10 of the executive order No. 735, in accordance with which the loan of five and one-half per cent authorized in 1922 was issued, which provides—

That the present customs tariff will not be changed during the life of this loan without previous agreement between the Dominican Government and the Government of the United States;

the two Governments concerned agree in interpreting this stipulation in the sense that, in accordance with article 3 of the convention of 1907, a previous agreement between the Dominican Government and the United States shall be necessary to modify the import duties of the Dominican Republic, it being an indispensable condition for the modification of such duties that the Dominican executive demonstrate and that the President of the United States recognize that, on the basis of exportations and importations to the like amount and the like character during the two years preceding that in which it is desired to make such modification, the total net customs receipts would at such altered rates of duties have been for each of such two years in excess of the sum of \$2,000,000 United States gold.

III. The Dominican Government and the Government of the United States agree that the convention signed on February 8, 1907, between the United States and the Dominican Republic shall remain in force so long as any bonds of the issues of 1918 and 1922 shall remain unpaid, and that the duties of the general receiver of Dominican customs appointed in accordance with that convention shall be extended to include the application of the revenues pledged for the service of those bond issues in accordance with the terms of the Executive orders and of the contracts under which the bonds were issued.

IV. This arrangement shall take effect after its approval by the Senate of the United States and the Congress of the Dominican Republic.

Done in four originals, two in the English language and two in the Spanish, and the representatives of the high contracting powers signing them in the city of Santo Domingo this twelfth day of June, nineteen hundred and twenty-four.

[SEAL.]

[SEAL.]

[SEAL.]

[SEAL.]

WILLIAM W. RUSSELL.

HORACIO VASQUEZ.

FEDERICO VELASQUEZ.

FRANCISCO J. PEYNADO.

MEMORANDUM OF THE AGREEMENT OF EVACUATION OF THE DOMINICAN REPUBLIC BY THE MILITARY FORCES OF THE UNITED STATES ENTERED INTO IN WASHINGTON, D. C., ON JUNE 30TH, 1922

1. Announcement by the military government that a provisional government will be set up for the purpose of promulgating legislation to regulate the holding of elections, and to provide for the reorganization of the provincial and municipal governments, and to enable the Dominican people to make such amendments to the constitution as they may deem appropriate and hold general elections without the intervention of the military government. At the same time the military government will announce that the provisional government will assume from the date of its installation administrative powers to carry out freely the aforesaid purposes; and the said provisional government from that date will alone be responsible for its acts.

2. The selection of a provisional president and cabinet by majority vote of the members of a commission composed of General Horacio Vasquez, Don Federico Velasquez, Don Elias Brache, Don Francisco Peynado, and of Monseñor Dr. Adolfo Nouel, upon the inclusion of whom the four above-named representatives have agreed. The commission, in determining upon the members of the provisional government, will determine the conditions placed upon the exercise of that government and the said commission, by a majority vote, will fill the vacancies that may occur in that government on account of death, resignation, or disability of any of its members. Upon the inauguration of the provisional government the executive departments of the Dominican Republic shall be turned over to the members of the cabinet thus designated. There shall be no change in the personnel of these departments, except for duly proved cause; the judges and other officials of the judiciary can not be removed except for the same reason. Officials in charge of the executive departments of the military government will lend their assistance to the respective secretaries of state of the provisional government whenever such assistance may be requested. There shall be no payment made by the department of finance except in accordance with the budget in force, nor will any payment be made otherwise than as customary. Any necessary item of expenditure not provided for in the budget will be appropriated by the provisional government in accord with the military governor. Immediately upon the installation of the provisional government the military government will deliver to that government the National Palace, and at the same time the military forces of the United States in the Dominican Republic will be concentrated at one, two, or three places, as may be determined by the military governor. From that date peace and order will be maintained by the Dominican national police under the orders of the provisional government, except in the case of serious disturbances which, in the opinion of the provisional government and of the military governor, can not be suppressed by the forces of the Dominican police.

3. The provisional president will promulgate the legislation above referred to concerning the holding of elections and the reorganization of the government of the Provinces and communes.

4. The provisional president will convene the primary assemblies in accordance with the provisions of the new election law and those assemblies will elect the electors as provided by article 84 of the present constitution and the public functionaries whose election is prescribed in the laws regulating the organization of the Provinces and communes.

5. The electoral colleges so elected by the primary assemblies will elect the members of the senate and of the chamber of deputies and will prepare the lists of the members of the judiciary to be submitted to the national senate.

6. The Congress will vote the necessary amendments to the constitution and will issue the call for the election of the constituent assembly, to which the proposed amendments will be submitted.

7. The provisional president will designate plenipotentiaries to negotiate a convention of ratification reading as follows:

I. The Dominican Government hereby recognizes the validity of all the executive orders promulgated by the military government and published in the Official Gazette which may have levied taxes, authorized expenditures, or established rights on behalf of third persons, and the administrative regulations issued, and contracts which may have been entered into, in accordance with those orders or with any law of the Republic. These orders, administrative regulations, and contracts are those listed below:

ORDENES EJECUTIVAS	
2	254-260 inclusive
8	262-266 inclusive
9	269-277 inclusive
14	280-282 inclusive
17	285-298 inclusive
19	300-302 inclusive
23	304-307 inclusive
27	311
28	312
31	314-318 inclusive
34-38 inclusive	320-322 inclusive
43	324-326 inclusive
44	328-336 inclusive
46	338-367 inclusive
48	369-375 inclusive
52	377-391 inclusive
53	393
55	395
58	396
60	398
61	400
64	402-413 inclusive
65	415-433 inclusive
68	435-443 inclusive
69	445
71	447
75	449
79	451
81-85 inclusive	454-461 inclusive
88	463-489 inclusive
89	491-498 inclusive
91	500
92	502
94	504-506 inclusive
95	509
97	510
104	513-517 inclusive
106	519-526 inclusive
108	530
110-112 inclusive	532-547 inclusive
114	549
116	550
118	552-556 inclusive
119	558-563 inclusive
121	566
126	569
128-130 inclusive	570
133-136 inclusive	574-577 inclusive
139	579-590 inclusive
142	593
145	594
145	596
146	597
148-151 inclusive	599-610 inclusive
153-163 inclusive	612-615 inclusive
166	617-629 inclusive
168	634-643 inclusive
169	645
171	647-651 inclusive
173	653-656 inclusive
174	658
176-178 inclusive	660-668 inclusive
183	670-685 inclusive
185-187 inclusive	687
190-195 inclusive	689
197-203 inclusive	690
205-212 inclusive	692-697 inclusive
214	699
215	701-703 inclusive
218	706-710 inclusive
220	712-719 inclusive
223-225 inclusive	721
229-231 inclusive	245-250 inclusive
233-243 inclusive	252

723-733 inclusive	786
735-738 inclusive	787
741-748 inclusive	789
750	790
752-759 inclusive	791
761-764 inclusive	792
769	793
768-775 inclusive	794
777-779	795
782	796
783	799
784	800
785	

## RESOLUTIONS

## FOMENTO Y COMUNICACIONES

Resolution—Official Gazette No. 2790—Barahona Company.
Resolution—Official Gazette No. 2821—Santa Fe Plantation Sugar Co.
Resolution—Official Gazette No. 2845—Central Romana.
Resolution—Official Gazette No. 2849—Central Romana.
Resolution—Official Gazette No. 2850—Santa Fe Plantation Sugar Co.
Resolution—Official Gazette No. 2861—Central Boca Chica Co.
Resolution—Official Gazette No. 2862—Installation of a telephone line.
Resolution—Official Gazette No. 2911—Installation of a telephone line.
Resolution—Official Gazette No. 2911—Santa Fe Plantation Sugar Co.
Resolution—Official Gazette No. 2929—Ingenio Cristobal Colón.
Resolution—Official Gazette No. 2967—Cancellation.
Resolution—Official Gazette No. 2993—Cia. Anonima de Explotaciones.
Resolution—Official Gazette No. 2993—San Cristobal Mining Co.
Resolution—Official Gazette No. 3008—Bentz Hnos.
Resolution—Official Gazette No. 3015—Bentz Hnos.
Resolution—Official Gazette No. 3036—Barahona Company.
Resolution—Official Gazette No. 3037—Julio B. Abreu.
Resolution—Official Gazette No. 3076—Central Romana.
Resolution—Official Gazette No. 3076—Barahona Company.
Resolution—Official Gazette No. 3093—Luis del Monte.
Resolution—Official Gazette No. 3093—Jose Mota Ranché.
Resolution—Official Gazette No. 3106—Central Romana.
Resolution—Official Gazette No. 3106—Central Romana.
Resolution—Official Gazette No. 3106—Castillo Hnos.
Resolution—Official Gazette No. 3106—Barahona Company.
Resolution—Official Gazette No. 3121—Consuelo Sugar Co.
Resolution—Official Gazette No. 3126—Sres. Noboa, Hnos.
Resolution—Official Gazette No. 3129—Barahona Company.
Resolution—Official Gazette No. 3129—Consuelo Sugar Co.
Resolution—Official Gazette No. 3159—Barahona Company.
Resolution—Official Gazette No. 3159—Central Romana.
Resolution—Official Gazette No. 3160—Barahona Company.
Resolution—Official Gazette No. 3162—Pardo y Ely Dorsey.
Registered 1, 2, and 3.
Resolution—Official Gazette No. 3162—Y. Amando Bermúdez.
Resolution—Official Gazette No. 3196—Lorenzo Gautier Olive.
Resolution—Official Gazette No. 3203—Barahona Company.
Resolution—Official Gazette No. 3235—Barahona Company.
Resolution—Official Gazette No. 3242—Central Romana.
Resolution—Official Gazette No. 3243—Manuel Bermúdez.
Resolution—Official Gazette No. 3274—Cia. Anónima de Inversiones Inmobiliarias.
Resolution—Official Gazette No. 3243—Cia. Anónima de Inversiones Inmobiliarias.
Resolution—Official Gazette No. 3354—Barahona Company.
Resolution—Official Gazette No. 3313—Ingenio Santa Fe de San Pedro de Macoris.
Resolution—Official Gazette No. 2786—Central Romana.
Resolution—Official Gazette No. 2787—L. E. Alvarez.
Resolution—Official Gazette No. 3358—Barahona Company.

AGRICULTURE AND IMMIGRATION

Resolution No. 61—Official Gazette No. 2838—Declaración de Zonas Agrícolas en la Provincia de Barahona.
Resolution No. 64—Official Gazette Nos. 2853 and 2854—Declaración de Zonas Agrícolas en la Provincia de Barahona.
Resolution No. 66—Official Gazette No. 3003—Declaración de Zonas Agrícolas en la Provincia de Barahona.
Resolution No. 86—Official Gazette No. 3089—Luis Holguer. Todos Los Permisos de inmigración y ordenes de deportación expedidos por esta Secretaría.
Resolution No. 88—Official Gazette No. 3133—Declaración de Zonas Agrícolas en Barahona.

Resolution No. 89—Official Gazette No. 3145—Declaración de Zonas Agrícolas en la Provincia de Barahona.

Resolution No. 91—Official Gazette No. 3167—Declaración de Zonas Agrícolas en la Provincia de Santo Domingo.

Resolution No. 92—Official Gazette No. 3180—Industrial Alcohol Cla.

Resolution No. 93—Official Gazette No. 3180—Declaración de Zonas Agrícolas en la Provincia de Santo Domingo.

Resolution No. 94—Official Gazette No. 3197—Declaración de Zonas Agrícolas en la Provincia de Santo Domingo.

Resolution No. 95—Official Gazette No. 3219—Declaración de Zonas Agrícolas en la Provincia de Monte Cristi.

Resolution No. 96—Official Gazette No. 3242—Alvaro Fernández.

Resolution No. 97—Official Gazette No. 3243—Rectificación Límites Mencionados en Resolución No. 94 referente a Bañi.

Resolution No. 98—Official Gazette No. 3301—Cancelando Resolución No. 97.

Resolution No. 99—Official Gazette No. 3332—Asociación de Regantes.

Water titles issued by the Secretariat of State for Agriculture, by virtue of Executive Order No. 318, to the following:

Domingo Rodríguez—Agua del Río San Juan Azua.

Jesús M. Vargas—Agua del Río el Caño de Boña, Neiba, Barahona.

Alberto Perdome—Agua del Río Plaza Cacique.

Santiago J. Rodríguez—Agua del Río Macasia, Matas de Farfán.

J. Julio Courseau—Agua del Río Dirán, Barahona.

Asociación La Altigracia—Agua del Río El Manguito, Neiba.

Arbaje Hnos.—Agua del Río Macasia, Matas de Farfán.

A. Santiago—Agua del Río Macasia, Matas de Farfán.

Manuel de Pérez—Agua del Río Camana, Neiba.

Sociedad de Irrigación los Tres—Agua del Río San Juan, San Juan, Azua.

Joaquín Gracia—Agua del Río Yaquí del Sur, Barahona.

Sociedad de Irrigación Amantes de la Agricultura—Agua del Río San Juan, San Juan, Azua.

Ismael Mateo—Agua del Río de Jacahueque, Matas de Farfán.

Inomina Palmer—Agua del Río Jacahueque, Matas de Farfán.

Sociedad de Irrigación La Unión—Agua del Río San Juan, San Juan, Azua.

Sociedad de Irrigación La Unión—Agua del Río Macasia, Matas de Farfán.

Sociedad de Irrigación La Competencia—Agua del Río María Chiquita, Neiba.

Francisco Tomillo—Agua del Río San Juan, San Juan, Azua.

Sociedad de Irrigación El Porvenir—Río las Marías, Neiba.

Sociedad de Irrigación El Esfuerzo—Agua del Río Baní.

Sociedad de Irrigación El Progreso—Agua del Río Baní.

Sociedad de Irrigación La Voluntad—Agua del Río Baní.

Sociedad de Irrigación La Legalidad—Agua del Río Baní.

Sociedad de Irrigación El Adelanto—Agua del Río Baní.

Wenceslao Ramírez—Agua del Río Miño, San Juan, Azua. Resolución No. 74, Official Gazette No. 3355—Luis Liberto Bogaert.

All letters of naturalization and permits to establish residence granted for the purpose of naturalization, in accordance with Article 11 of the Constitution.

All permits issued to establish legal residence in the Republic in accordance with Article 14 of the Civil Code.

Resolution regarding the sale of the cruiser *Independencia*, under date of February 20, 1918, and the tugboat *Agulla*, under date of June 6, 1918. (Not yet published.)

Resolution—Official Gazette No. 3203, approving the increase in the tariff tax of the municipal aqueduct (Puerto Plata).

All the resolutions passed by the Ayuntamientos and approved by the Military Government.

#### SANITATION AND CHARITY

Sanitary Code published in the Official Gazette, No. 3181, December 29, 1920.

#### TREASURY

Circular E-105, December 8, 1919.

INTERNATIONAL CONVENTION ENTERED INTO DURING THE PERIOD OF THE MILITARY GOVERNMENT

#### FOMENTO AND COMMUNICATIONS

Spanish-American Postal Convention of Madrid of November 12, 1920. Resolution No. 7 of March 12, 1921.

Universal Postal Convention of Madrid of November 30, 1920. Resolution No. 21 of December 31, 1921.

Universal Parcel Post Convention of Madrid of November 30, 1920. Resolution No. 32 of December 31, 1921.

Dominican-Spanish Postal Convention of November 17, 1921. Resolution No. 13 of April 29, 1922.

Pan-American Convention of Buenos Aires, dated September 15, 1921. Resolution No. 25 of July 26, 1922.

Resolution approving the postal convention between the Dominican Republic and the United States of America, under date of May 19, 1917.

#### ADMINISTRATIVE REGULATIONS

##### FOMENTO AND COMMUNICATIONS

Departmental Order—Official Gazette No. 2801—Department of Fomento Order No. 1.

Departmental Order No. 6, Official Gazette No. 2841.

Department Order No. 8, Official Gazette No. 2852.

Departmental Order No. 10, Official Gazette No. 2856.

Departmental Order No. 12, Official Gazette No. 2861.

Departmental Order No. 11, Official Gazette No. 2862.

Departmental Order No. 14, Official Gazette No. 2863.

Departmental Order No. 15, Official Gazette No. 2868B.

Departmental Order No. 16, Official Gazette No. 2923.

Departmental Order No. 19, Official Gazette No. 2933.

Departmental Order No. 21, Official Gazette No. 2960.

Departmental Order No. 22, Official Gazette No. 2988.

Departmental Order No. 23, Official Gazette No. 2998.

Departmental Order No. 24, Official Gazette No. 3026.

Departmental Order No. 25, Official Gazette No. 3035.

Departmental Order No. 27, Official Gazette No. 3124.

Departmental Order No. 28, Official Gazette No. 3159.

Departmental Order No. 29, Official Gazette No. 3192.

##### AGRICULTURE AND IMMIGRATION

Departmental Order No. 2, Official Gazette No. 2992.

Departmental Order No. 5, Official Gazette No. 3084.

Departmental Order No. 13, Official Gazette No. 3124.

Departmental Order No. 20, Official Gazette No. 3128.

Departmental Order No. 21, Official Gazette No. 3128.

Departmental Order No. 27, Official Gazette No. 3152.

Departmental Order No. 31, Official Gazette No. 3355.

Departmental Order No. 36, Official Gazette No. 3153.

Departmental Order No. 38, Official Gazette No. 3159.

Departmental Order No. 57, Official Gazette No. 3203.

Departmental Order No. 60, Official Gazette No. 3211.

Departmental Order No. 85, Official Gazette No. 3291.

Departmental Order No. 89, Official Gazette No. 3328.

Departmental Order No. 92, Official Gazette No. 3346.

##### INTERIOR AND POLICE

Departmental Order No. 13, granting authorization to the Junta de Caridad "Padre Billini" in order that it might contract a loan of \$15,000. (Not yet published.)

##### JUSTICE AND PUBLIC INSTRUCTION

Departmental Order No. 1 of 1921, under date of February 19 of the same year. (Division of communal lands.)

All the departmental orders of the Department of Justice and Public Instruction relative to public instruction, with the exception of Orders Nos. 5, 9, and 16 of 1917; No. 97 of 1918; and Special Order No. 1 of 1919, until the installation of the provisional government.

##### CONTRACTS

##### TREASURY

Contracts entered into between the military government and the persons listed below for the rental of urban properties of the Republic:

Contract No. 58 with A. Humberto Aybar, under date of March 7, 1918. (One lot.)

Contract with Selldonia Petitón Vda. Parisión, under date of December 12, 1918. (One lot.)

Contract with Elias José, under date of December 4, 1918. (One lot.)

Contract with Justiniano Acosta, under date of December 6, 1918. (One lot.)

Contract with Donato Pérez, under date of December 2, 1918. (One lot.)

Contract with Anita Buenrostro, under date of December 4, 1918. (One lot.)

Contract with Urbano Acosta, under date of December 2, 1918. (One lot.)

Contract with Celestino Fontana, under date of December 20, 1918. (One lot.)

Contract with Ulises Cuello, under date of May 26, 1919. (One lot.)

Contract with Alejandro Deño, under date of May 26, 1919. (One lot.)

Contract No. 59 with Agustín Hernández, under date of July 21, 1919. (One lot.)

Contract No. 60 with R. O. Galván, under date of October 31, 1919. (One lot.)

Contract No. 61 with Pablo Gobaira, under date of November 11, 1919. (One lot.)

Contract No. 62 with Abelardo José Romano, under date of November 11, 1919. (One lot.)

Contract No. 63 with Jorge Brazil, under date of November 11, 1919. (One lot.)

Contract with Earle T. Fiddler for the extraction of sand and other products.

Contract No. 1 with Francisco J. Peinado, under date of December 14, 1917: Rental of house No. 33 de la Calle José Reyes.

Contract No. 2 with Félix González, under date of January 1, 1918: Transfer service in the Port of Macoris.

Contract with Francisco J. Peinado, No. 4, under date of April 12, 1918: Rental of house No. 46 de la Calle Mercedes.

Contract No. 5 with Alej. Penso, under date of December 17, 1918: Rental of house No. 15 Calle Beler and the upper floors of house No. 13/36 de la Calle Beler, corner of Comercio, both of Santiago.

Contract No. 6 with J. L. Manning, under date of July 12, 1919.

Contract No. 8 with the La Fé Lodge, under date of September 29, 1919: Rescinding a rental contract covering the building known by the name of "Logia La Fé."

Contract No. 9 with Ig. Cat. Apostólica Dominicana, under date of September 25, 1919: Establishing an agreement pending the determination of ownership of the buildings annexed to the Iglesia de Regina.

Contract No. 26 with Suc. Juan Nieves Reyes, under date of June 4, 1920: Transfer of rights to a tract of land in Nigua.

Contract No. 27 with Agapito, Lorenzo and Mercedes Ant. Reyes, under date of June 27, 1920: Purchase of land in Nigua for the National Leper Colony of Nigua.

Contract No. 29 with Alberto Ascensio, under date of October 1, 1920: Rental of a piece of land located in Santiago in Bella Vista which measures 96 tareas. (The Government is the owner.)

Contract No. 30 with Junta Fábrica Iglesia del Rosario in Moca, under date of September 30, 1920: Payment of \$32,315.52 in order that the board might relieve the Government of all responsibility occasioned by executive order No. 420 and its amendments.

Contract No. 31 with Junta Fábrica Iglesia Salcedo, under date of October 5, 1920: Payment of \$26,400 in order to relieve the Government of all claims by reason of executive order No. 420.

Contract No. 32 with Melendez y Godoy, under date of March 14, 1921: Payment of \$85,891 in order that the Government might be relieved of all claims by reason of executive order No. 513.

Contract No. 35 with R. M. Lepervanche, under date of March 16, 1921: Printing.

Contract No. 34 with R. M. Lepervanche, under date of February 11, 1922: Printing.

Contract with Divanna-Grisolia & Compañía, under date of November 18, 1920: Purchase and sale of tobacco.

Contract with Grace & Co., under date of November 18, 1920: Purchase and sale of tobacco in Europe.

Contract with Grace & Co., under date of September 29, 1919: Purchasing agency.

Contract with Frank L. Mitchell, under date of September 19, 1921: Construction of a pump and installation of piping for pumping salt water.

Contract with Frank L. Mitchell, under date of March 16, 1921: Construction of a railroad bridge.

Contract with Gaetan Bucher y Nicolas Cortina, under date of March 4, 1921: Construction of warehouses.

Contract with Frank L. Mitchell, under date of March 16, 1921: Construction of a wharf.

Contract with G. H. Lippitt, under date of September 3, 1920: Installation of a pipe line for molasses.

Contract with Lee, Higginson & Co., under date of April 4, 1922: Loan of \$6,700,000.

Contract with the Compañía de Mielles Dominicana C. por A., under date of March 25, 1922: Extension of the concession and for a pipe line for molasses.

#### FOMENTO AND COMMUNICATIONS

All the contracts existing between the Department of Fomento and Communications and other persons for the rental of buildings for post offices that are in force on the date of the installation of the provisional government.

*Marck Engineering & Contracting Co.*—Contract dated August 23, 1921, for "Construction Barahona Market," of which cubication #5 was submitted December 31, 1921, but on which \$994.32 is still pending. This project has not been finally accepted from the contractor due to failure of the contractor to carry out certain parts of his contract.

Chief of Surveyors: (Land Survey) Four contracts have been made for the advance of funds as follows:

(a) Central Romana (Inc.), June 29, 1921: Total amount in contract was \$35,000, payable in sums of \$5,000 to \$10,000 monthly, with privileges of furnishing labor and supplies in addition.

Amount deposited in Treasury to date	\$64,680.52
Amount asked for August	6,729.84
Approximate amount of labor and supplies	20,000.00

(b) Barahona and allied companies: December 31, 1921.

Total amount: \$45,000, payable \$2,000 monthly with privilege of increasing amounts and of furnishing labor and supplies:

Amount deposited in Treasury to date	\$11,334.85
Amount asked for August	3,686.62
Approximate amount of labor and supplies	800.00

(c) Ingenio Santa Fe, March 3, 1922: Total amount, \$10,000, payable up to \$4,000 per month.

Amount deposited in Treasury to date	\$5,598.77
Amount asked for August	4,401.23

There is also due the company about \$5,000 for provisions and labor furnished which is being taken care of with Romana funds.

(d) Ingenio Santa Fe, May 16, 1920: Same conditions as (c) but for a different district.

Amount deposited in Treasury to date	\$481.00
Amount asked for August	910.00

#### INTERIOR AND POLICE

Contracts between the military government and the Commune of Azua for a loan of \$20,000 (veinte mil pesos) at a rate of interest of 5 per cent, under date of December 31, 1919.

Contract between the Commune of Azua and the International Banking Corporation for a loan of \$15,000 (quince mil pesos), under date of December 31, 1919.

Cancellation, under date of June 8, 1920, of the loan of \$15,000 (quince mil pesos) with the International Banking Corporation mentioned above.

Loan of the military government to the Commune of Azua of \$15,000 (quince mil pesos) at rate of interest of 5 per cent, under date of June 8, 1920.

Contract between the Commune of Barahona and the military government for a loan of \$25,000 (veinticinco mil pesos) at a rate of interest of 5 per cent, under date of April 8, 1920.

Contract between the Commune of Villa Mella and the military government for a loan of \$14,650 (catorce mil seis cientos cincuenta pesos) at a rate of interest of 5 per cent, under date of May 25, 1920.

The Dominican Government likewise agrees that those executive orders, those resolutions, those administrative regulations, and those contracts shall remain in full force and effect unless and until they are abrogated by those bodies which, in accordance with the Dominican constitution, can legislate. But this ratification, in so far as concerns those of the above-mentioned executive orders, resolutions, administrative regulations, and contracts, which have been modified or abrogated by other executive orders, resolutions, or administrative regulations of the military government, only refers to the legal effects which they created while they were in force.

The Dominican Government further agrees that neither the subsequent abrogation of those executive orders, resolutions, administrative regulations, or contracts, or any other law, executive order, or other official act of the Dominican Government, shall affect the validity or security of rights acquired in accordance with those orders, those resolutions, those administrative regulations, and those contracts of the military government; the controversies which may arise related with those rights acquired will be determined solely by the Dominican courts, subject, however, in accordance with the generally accepted rules and principles of international law, to the right of diplomatic intervention if those courts should be responsible for cases of notorious injustice or denial of justice. The determination of such cases in which the interests of the United States and the Dominican Republic only are concerned shall, should the two Governments disagree, be by arbitration. In the carrying out of this agreement, in each individual case, the high contracting parties, once the necessity of arbitration is determined, shall conclude a special agreement defining clearly the scope of the dispute, the scope of the powers of the arbitrators, and the periods to be fixed for the formation of the arbitral tribunal and the several stages of the procedure. It is understood that on the part of the United States such special agreements will be made by the President of the United States, by and with the advice and consent of the Senate thereto, and on the part of the Dominican Republic shall be subject to the procedure required by the constitution and laws thereof.

II. The Dominican Government, in accordance with the provisions of Article I, specifically recognizes the bond issue of 1918 and the twenty-year five and one-half per cent customs administration sinking fund gold bond issue authorized in 1922 as legal, binding, and irrevocable obligations of the Republic, and pledges its full faith and credit to the maintenance of the service of those bond issues. With reference to the stipulation contained in article 10 of the Executive Order No. 735, in accordance with which the loan of five and one-half per cent authorized in 1922 was issued, which provides:

That the present customs tariff will not be changed during the life of this loan without previous agreement between the Dominican Government and the Government of the United States;

the two Governments concerned agree in interpreting this stipulation in the sense that, in accordance with article 3 of the convention of 1907, a previous agreement between the Dominican Government and the United States shall be neces-

sary to modify the import duties, it being an indispensable condition before the modification of such duties that the Dominican Executive demonstrate, and that the President of the United States recognize, that on the basis of exportations and importations to the like amount and the like character during the two years preceding that in which it is desired to make such modification, the total net customs receipts would at such altered rates of duties have been, for each of such two years, in excess of the sum of \$2,000,000 United States gold.

III. The Dominican Government and the Government of the United States agree that the convention signed on February 8, 1907, between the United States and the Dominican Republic shall remain in force so long as any bonds of the issues of 1918 and 1922 shall remain unpaid, and that the duties of the general receiver of Dominican customs, appointed in accordance with that convention, shall be extended to include the application of the revenues pledged for the service of those bond issues in accordance with the terms of the executive orders and of the contracts under which the bonds were issued.

IV. This arrangement shall take effect after its approval by the Senate of the United States and the Congress of the Dominican Republic.

This convention will be referred to the Congress for its approval. The Congress will, in addition, pass the law recognizing independently of the convention of ratification the validity of the Executive orders referred to in the said convention.

8. The members of the judicial power will be elected in accordance with the constitution.

9. After all the steps specified in the foregoing articles have been taken and after the convention mentioned in article 7 has been approved and the law referred to in the same article has gone into effect, the members of the Executive power will be elected in accordance with the constitution. Immediately upon taking possession of his office, the President will sign the law ratifying the Executive orders and the convention, and the military forces of the United States will thereupon leave the territory of the Dominican Republic.

#### ISLE OF PINES—PEARCY v. STRANAHAN

Mr. SWANSON asked and obtained leave to have printed in the RECORD the decision of the Supreme Court of the United States in the case of *Pearcy v. Stranahan* (205 U. S. Repts. pp. 257-274) which is as follows:

##### PEARCY v. STRANAHAN

ERROR TO THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK

(No. 1. Submitted March 4, 1907.—Decided April 8, 1907)

The averment that territory named in the complaint is a part of the United States is a conclusion of law and not admitted by a demurrer.

The court takes judicial cognizance whether or not a given territory is within the boundaries of the United States, and is bound to take the fact as it really exists, however it may be averred to be.

Who is the sovereign de jure or de facto of territory is not a judicial but a political question, the determination of which by the legislative and executive departments of any government conclusively binds the judges as well as all other officers, citizens, and subjects of that government. (*Jones v. United States*, 137 U. S. 202.)

The Isle of Pines under the provisions of the Platt amendment and the constitution of the Republic of Cuba is de facto under the jurisdiction of the Republic of Cuba, and, as the United States has never yet taken possession thereof, it has remained and is foreign country within the meaning of the Dingley Tariff Act of 1897. (*De Lima v. Bidwell*, 182 U. S. 1; *United States v. Rice*, 4 Wheat. 246.)

The facts, which involve the political status of the Isle of Pines and whether it is under the jurisdiction of Cuba or that of the United States and whether merchandise therefrom is subject to duty as coming from a foreign country within the meaning of the Dingley Tariff Act, are stated in the opinion.

Mr. James C. Lenney for plaintiff in error:

Up to the ratification of the second treaty of Paris (April 11, 1899) the Isle of Pines was under the sovereignty of the Crown of Spain. It did not belong to, nor was it a part of, the island of Cuba.

Spain acquired title to and sovereignty over the Isle of Pines by right of discovery.

Spain until A. D. 1899 retained the title and sovereignty thus acquired.

Since a territory can have but one sovereignty at one time, it follows that the island of Cuba at no time prior to 1899 acquired any title to the Isle of Pines, either expressly or by implication.

No authority has been found to hold that the maritime jurisdiction of one island can extend to another island located in the open sea 40 miles distant from the nearest shore. Geographically, then, there

appears to be no ground for holding that the Isle of Pines belonged to or was a part of the island of Cuba.

In the absence, therefore, of any express cession of sovereignty to Cuba or of any impliable intention to include this Isle as a part of Cuba, or of any good geographical reason for so doing, it must follow that on April 11, 1899, Spain did own, and Cuba, a mere colony, did not own or include, the Isle of Pines.

Under article 2 of the said treaty—"Spain cedes to the United States the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies \* \* \*"—the Isle of Pines passed direct from the sovereignty of the Crown of Spain to that of the people of the United States.

The only reasonable construction is that by article 2 of the treaty, as above quoted, the United States acquired all the islands under Spanish sovereignty in the West Indies except the island of Cuba.

The very language of the treaty itself, as explained in the protocols and construed according to its fair and ordinary meaning, is overwhelmingly in favor of this proposition.

On or about August 14, 1899, the United States War Department, in an official letter, stated:

"The Isle of Pines \* \* \* was ceded by Spain to the United States, and is therefore a part of our territory."

The maps and other data prepared and issued by the General Land Office of the Department of the Interior indicate the Isle of Pines as being United States territory.

The "Platt amendment" provided:

"That the Isle of Pines shall be omitted from the proposed constitutional boundaries of Cuba; the title thereto being left to future adjustment by treaty."

When Cuba was transferred to the government of its people, on May 20, 1902, the American military governor of Cuba was ordered by the United States Secretary of War to continue "the present government of the Isle of Pines" (which was American) "as the de facto government."

By the terms of the proposed treaty, negotiated in 1903 and still pending in the United States Senate, our country's present ownership of the Isle of Pines is clearly recognized by the sections which provide for a transfer of our title to Cuba, the consideration being certain naval stations which we theretofore possessed.

Under Article II of the treaty, the Isle of Pines was ceded directly to the United States.

It is a historical fact that at this time Spanish sovereignty in the West Indies was limited to Cuba, Porto Rico, the Isle of Pines, and some very small, insignificant islands, mostly uninhabited and located round about these three large ones. Such being the fact, the only reasonable conclusion from this language can be, that by the "other islands" phrase it was the intention of the parties to cede, and they did cede, the Isle of Pines direct from the Crown of Spain, to the people of the United States just as plainly as Porto Rico, in the same article, was ceded. It can not be too greatly emphasized that such is the only reasonable construction applicable to this phrase. Unless it refers to the Isle of Pines, it means nothing, and certainly it would be a most serious imputation to hold that the learned commissioners deliberately inserted words meaning nothing or worse than nothing into so important a document of state.

Official acts and declarations subsequent to the treaty support the same view.

Not only did all the parties thus intend at the time of the making of the treaty, but subsequent acts and declarations for more than three years thereafter were almost uniformly in support of this view. We already have official declarations, both executive and legislative.

The "Platt amendment" expressly excludes the Isle of Pines from the boundaries of Cuba.

Plaintiff calls attention to Article VI of the amendment to the Army appropriation bill, passed March 2, 1901, and widely known by their popular title "Platt amendment." This amendment, which is still in force, expressly provided "that the Isle of Pines shall be omitted from the proposed constitutional boundaries of Cuba, the title thereto being left to future adjustment by treaty."

This clause is doubly significant, showing, as it does, the attitude of both the Republics. Up to this point we have been noting the acts of our own Government and the attitude of our own people. That the Cubans themselves claimed no conflicting title is clearly proven by their vote on June 12, 1901. Without discussion and without debate, the Cuban Congress incorporated this identical language into their own constitution. By so doing they expressly admitted, first, that the Isle of Pines was not then a part of the Cuban Republic, and, secondly, that the Isle should not become Cuban soil unless granted to the Republic from the United States by good and valid treaty. The effect of this action must have been to leave the Isle as theretofore, under American administration and control; for when the Congresses of both countries have expressly declared that at present the Isle of Pines is not Cuban territory it must be territory of the United States.

The Isle of Pines, not being a foreign country under the tariff law, but, like Porto Rico, a part of the United States, it follows that the

seizure, etc., complained of by plaintiff and the detention after demand made was unwarranted, illegal, and an act of conversion. *De Lima v. Bidwell*, 182 U. S. 1, 198 et seq.; *Dooley v. United States*, 182 U. S. 222; *Armstrong v. United States*, 182 U. S. 243.

The Attorney General, the Solicitor General, and Mr. Otis J. Carlton, special assistant to the Attorney General, for defendant in error, submitted:

Whether the Isle of Pines be included within the boundaries of the United States is a political question, which can not be decided by this court, being nonjudicial in its nature.

The question in this case resolves itself into a question of boundaries within the principle of the following cases: *Foster v. Neilson*, 2 Pet. 253; *Garcia v. Lee*, 12 Pet. 511; *United States v. Arredondo*, 6 Pet. 691.

It is well settled that the courts of the United States are scrupulous to exercise no power not clearly judicial in its nature. *Hayburn's case*, 2 Dallas, 409; *United States v. Ferreira*, 13 How. 40; *United States v. Yale Todd*, 13 How. 52 (note); *Gordon v. United States*, 117 U. S. 697.

If it be considered that the title to the Isle of Pines has been determined by the political departments to be in the United States, the fact that the question of ownership by mutual agreement between the United States and the Republic of Cuba is to be settled by arbitration, the adjudication to take the form of a treaty, excludes this court from its jurisdiction to decide the question of title in this case.

While this court, as a general rule, will decide questions of individual rights, founded upon a treaty, by ascertaining and following the determination of the political departments upon political questions, still if those departments charged with the settlement of our relations with foreign powers have directed that political questions be settled in a certain manner, that determination is conclusive on the courts.

It is well settled that even to determine questions judicial in their nature special tribunals may be erected, their decisions to be final and conclusive on the courts. *United States v. Ferreira*, 13 How. 40; *Murray v. Hoboken, &c., Co.*, 18 How. 280; *Bates & Guild Co. v. Payne*, 194 U. S. 109; *United States v. Ja Toy*, 198 U. S. 253.

The Isle of Pines was not ceded to the United States by the treaty of peace, Article II, but was included within the term "Cuba" in Article I.

The Isle of Pines is, by a well-settled principle of international law, a part of Cuba. *Hall's International Law*, edition of 1895, pages 129, 130.

We intervened in aid of the Cuban revolutionists from the highest motives of humanity and not to wage a war of conquest.

The term "Cuba," historically and politically, includes the Isle of Pines.

This is shown by the official acts of the Spanish Government, which from 1774 to 1898 treated the Isle of Pines, as included in the political division known as Cuba, just as the island of Nantucket is included in the Commonwealth of Massachusetts.

Conceding, for the purposes of argument only, that the Isle of Pines was ceded to the United States by the treaty of peace, as we have never taken possession of the island, and as it has been and is being governed by the Republic of Cuba, it has not ceased to be "foreign country" within the Dingley Act.

Mr. Chief Justice Fuller delivered the opinion of the court.

Plaintiff brought his action in the Circuit Court of the United States for the Southern District of New York against the then collector of the port of New York to recover the value of certain cigars seized by him, which had been brought to that port from the Isle of Pines, where they had been produced and manufactured. This seizure was made under the Dingley Act, so called (act July 24, 1897, 30 Stat. 151, ch. 11), and the regulations of the Secretary of the Treasury thereunder. The Dingley Act provided for the imposition of duties "on articles imported from foreign countries," and in plaintiff's complaint it was asserted that the Isle of Pines was "in possession of and part of the United States," and hence domestic territory. The Government demurred, the demurrer was sustained, the complaint dismissed, and the case brought here on a writ of error.

Whether the Isle of Pines was a part of the United States is a conclusion of law not admitted by the demurrer. It was certainly not such before the treaty of peace with Spain, and, if it became so, it was by virtue of that treaty. The court takes judicial cognizance whether or not a given territory is within the boundaries of the United States, and is bound to take the fact as it really exists, however it may be averred to be. (*Jones v. United States*, 137 U. S. 202; *Lincoln v. United States*, 197 U. S. 419; *Taylor v. Barclay*, 2 Sim. 213.)

August 12, 1898, a protocol of agreement for a basis for the establishment of peace was entered into between the United States and Spain, which provided:

"ARTICLE I. Spain will relinquish all claim of sovereignty over and title to Cuba.

"ART. II. Spain will cede to the United States the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies, and also an island in the Ladrões to be selected by the United States." (30 Stat. 1742.)

This was followed by the treaty of peace, ratified April 11, 1899, containing the following articles:

"ARTICLE I. Spain relinquishes all claim of sovereignty over and title to Cuba.

"And as the island is, upon its evacuation by Spain, to be occupied by the United States, the United States will, so long as such occupation shall last, assume and discharge the obligations that may under international law result from the fact of its occupation, for the protection of life and property.

"ART. II. Spain cedes to the United States the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies, and the island of Guam in the Marianas or Ladrões." (30 Stat. 1754-1755.)

In *Neely v. Henkel*, 180 U. S. 109, January 14, 1901, the question was whether Cuba was a foreign country or foreign territory within the act of Congress of June 6, 1900 (31 Stat. 656, ch. 793), providing for the extradition from the United States of persons committing crimes within any foreign country or foreign territory or any part thereof, occupied or under the control of the United States. And it was held that Cuba was within this description. Mr. Justice Harlan, delivering the opinion of the court, said:

"The facts above detailed make it clear that within the meaning of the act of June 6, 1900, Cuba is foreign territory. It can not be regarded in any constitutional, legal, or international sense a part of the territory of the United States.

"While by the act of April 25, 1898, declaring war between this country and Spain, the President was directed and empowered to use our entire land and naval forces, as well as the militia of the several States to such extent as was necessary, to carry such act into effect, that authorization was not for the purpose of making Cuba an integral part of the United States but only for the purpose of compelling the relinquishment by Spain of its authority and government in that island, and the withdrawal of its forces from Cuba and Cuban waters. The legislative and executive branches of the Government, by the joint resolution of April 20, 1898, expressly disclaimed any purpose to exercise sovereignty, jurisdiction, or control over Cuba 'except for the pacification thereof,' and asserted the determination of the United States, that object being accomplished, to leave the government and control of Cuba to its own people. All that has been done in relation to Cuba has had that end in view and, so far as the court is informed by the public history of the relations of this country with that island, nothing has been done inconsistent with the declared object of the war with Spain.

"Cuba is none the less foreign territory, within the meaning of the act of Congress, because it is under a military governor appointed by and representing the President in the work of assisting the inhabitants of that island to establish a government of their own, under which, as a free and independent people, they may control their own affairs without interference by other nations. The occupancy of the island by troops of the United States was the necessary result of the war. That result could not have been avoided by the United States consistently with the principles of international law or with its obligations to the people of Cuba.

"It is true that as between Spain and the United States—indeed, as between the United States and all foreign nations—Cuba, upon the cessation of hostilities with Spain and after the treaty of Paris, was to be treated as if it were conquered territory. But as between the United States and Cuba, that island is territory held in trust for the inhabitants of Cuba, to whom it rightfully belongs and to whose exclusive control it will be surrendered when a stable government shall have been established by their voluntary action."

If, then, the Isle of Pines was not embraced in Article II of the treaty but was included within the term "Cuba" in Article I, and therefore sovereignty and title were merely relinquished, it was "foreign country" within the Dingley Act.

This inquiry involves the interpretation which the political departments have put upon the treaty; for, in the language of Mr. Justice Gray, in *Jones v. United States* (137 U. S. 202), "who is the sovereign, de jure or de facto, of a territory is not a judicial but a political question, the determination of which by the legislative and executive departments of any government conclusively binds the judges as well as all other officers, citizens, and subjects of that government."

By the joint resolution of April 20, 1898 (30 Stat. 738), entitled "Joint resolution for the recognition of the independence of the people of Cuba, demanding that the Government of Spain relinquish its authority and government in the island of Cuba and to withdraw its land and naval forces from Cuba and Cuban waters, and directing the President of the United States to use the land and naval forces of the United States to carry these resolutions into effect," the United States disclaimed any disposition or intention to exercise sovereignty or c

trol over Cuba, except in the pacification thereof, and asserted its determination, when that was accomplished, to leave the control of the island to its people. What was the signification of the word "Cuba" at that time?

The record of the official acts of the Spanish Government from 1774 to 1898 demonstrates that the Isle of Pines was included in the political division known as "Cuba." The first official census of Cuba, in 1774; the "statistical plan of the ever-faithful isle of Cuba for the year 1827"; the establishment by the Governor General, in 1828, of a colony on the island; the census of 1841; the budgets of receipts and expenses; the census for 1861, 1877, 1887, and so on, all show that the Isle of Pines was, governmentally speaking, included in the specific designation "Cuba" at the time the treaty was made and ratified, and the documents establish that it formed a municipal district of the Province of Habana.

In short, all the world knew that it was an integral part of Cuba, and in view of the language of the joint resolution of April 20, 1898, it seems clear that the Isle of Pines was not supposed to be one of the "other islands" ceded by Article II. Those were islands not constituting an integral part of Cuba, such as Vieques, Culebra, and Mona Islands, adjacent to Porto Rico.

Has the treaty been otherwise interpreted by the political departments of this Government? The documents to which we have had access, with the assistance of the presentation of the facts condensed therefrom in the brief for the United States, enable us to sufficiently indicate the situation in that regard, and we think it proper to do this, notwithstanding the determination of the case turns at last on a short point requiring no elaboration.

The Spanish evacuated Habana January 1, 1899, and the government of Cuba was transferred to a military governor, as the representative of the President of the United States. The President ordered, August 17, 1899, a census to be taken as a first step toward assisting "the people of Cuba" to establish "an effective system of self-government." In accomplishing this the island was divided into 1,607 enumeration districts. Three enumerators took the census of the Isle of Pines, which was described as a municipal district of the judicial district of Bejucal, in the Province of Habana. The report on the census, as published by the War Department in 1900, stated: "The Government of Cuba has jurisdiction not only over the islands of that name but also over the Isle of Pines, lying directly to the south of it, and more than a thousand islets and reefs scattered along its northern and southern coasts. \* \* \* The Isle of Pines, with an area of 840 square miles, is a municipal district of the Province of Habana. \* \* \* The total population of Cuba, including the Isle of Pines and the neighboring keys, was, on October 16, 1899, 1,572,797."

The population tables give the population of the Isle of Pines as a municipal district of Habana Province, and so of the statistics as to rural population; sex, nativity, and color; age and sex; birthplace; conjugal condition; school attendance; foreign whites; number and size of families; dwellings of families—these and like items are given as to the Isle of Pines as under the Province of Habana.

In August, 1899, the military governor of Cuba appointed a mayor and first assistant mayor of the Isle of Pines.

On June 16, 1900, an election was held throughout the island, at which the people of Cuba in all their municipalities elected their municipal officers, participated in by the inhabitants of the Isle of Pines, as is stated in the report of the Committee on Foreign Relations, Senate Document No. 205, Fifty-ninth Congress, though this was denied in a minority report.

A constitutional convention was called, and the inhabitants of the Isle of Pines participated in the election of delegates thereto, September 15, 1900.

The convention concluded its work by October 1, 1901, and December 31, 1901, an election was held to choose governors of Provinces, provincial councilors, members of the House of Representatives, and presidential and senatorial electors under an order of General Wood of October 14, 1901, No. 218, approved by the War Department, which divided the Province of Habana into four circuits, the third being composed of several ayuntamientos, of which the Isle of Pines was one.

February 24, 1902, the electors met, chose senators, and elected Señor Palma, President, and Señor Romero, Vice President.

The government was transferred to Cuba May 20, 1902; and in making the transfer and declaring the occupation of Cuba by the United States and the military government of the island to be ended, the military governor wrote to "the President and Congress of Cuba," among other things: "It is understood by the United States that the present government of the Isle of Pines will continue as a de facto government pending the settlement of the title to said island by treaty, pursuant to the Cuban constitution and the act of Congress of the United States approved March 2, 1902[1]." On the same day President Palma replied:

"It is understood that the Isle of Pines is to continue de facto under the jurisdiction of the Government of the Republic of Cuba, subject to such treaty as may be entered into between the Government of the

United States and that of the Cuban Republic as provided for in the Cuban constitution and in the act passed by the Congress of the United States and approved on the 2d of March, 1901." (31 Stat. 897.)

At that date the Isle of Pines was actually being governed by the Cubans through municipal officers elected by its inhabitants and a governor of the Province of Habana, councilors, etc., in whose choice they had participated. And see *Neely v. Henkel* (180 U. S. 109, 117, 118).

February 16, 1903, the Senate of the United States by resolution requested the President "to inform the Senate as to the present status of the Isle of Pines and what government is exercising authority and control in said island."

In reply the President submitted a report from the Secretary of War, which stated:

"The nature of the de facto government under which the Isle of Pines was thus left pending the determination of the title thereof by treaty is shown in the following indorsement upon a copy of the said resolution by the late military governor of Cuba:

(Here follows the indorsement, dated February 20, 1903, of which the following is a part):

"At the date of transfer of the island of Cuba to its duly elected officials the Isle of Pines constituted a municipality included within the municipalities of the Province of Habana and located in the judicial district of Bejucal. The government of the island is vested in its municipal officers, subject to the general control of the civil governor of the Province of Habana, who is vested under the constitution of Cuba with certain authority in the control of municipal affairs. Under the military government of Cuba the Isle of Pines was governed by municipal officials, subject to the general authority of the civil governor, who received his authority from the governor general. The Isle of Pines, as it had existed under the military government, was transferred as a de facto government to the Cuban Republic, pending the final settlement of the status of the island by treaty between the United States and Cuba. The action taken by the military government was in accordance with telegraphic orders from the honorable the Secretary of War. The government of the island to-day is in the hands of its municipal officers, duly elected by the people under the general control of the civil governor of the Province of Habana and the Republic of Cuba. As I understand it, the government of the Isle of Pines is vested in the Republic of Cuba, pending such final action as may be taken by the United States and Cuba looking to the ultimate disposition of the island. No special action was taken to protect the interests of the citizens of the United States who have purchased property and have settled in the Isle of Pines, for the reason that no such action was necessary. All Americans in the island are living under exactly the same conditions as other foreigners, and if they comply with laws in force it is safe to say that they will not have any difficulty or need special protection. At the time these people purchased property they understood distinctly that the question of ownership of the Isle of Pines was one pending settlement, and in locating there they took the risk incident to the situation."

We are justified in assuming that the Isle of Pines was always treated by the President's representatives in Cuba as an integral part of Cuba. This was indeed to be expected in view of the fact that it was such at the time of the execution of the treaty and its ratification, and that the treaty did not provide otherwise in terms, to say nothing of general principles of international law applicable to such coasts and shores as those of Florida, the Bahamas, and Cuba. (Hall, 4th ed. 129, 130; *Louisiana v. Mississippi*, 202 U. S. 1, 53; *The Anna*, 5 C. Rob. 273.)

In August, 1902, the Treasury Department decided that duties should be assessed on goods coming from the Isle of Pines at the same rates as on similar merchandise imported from other places.

On July 2, 1903, a treaty with Cuba was signed, relinquishing any claim by the United States to the Isle of Pines under the treaty of peace, but this failed of ratification, and on March 2, 1904, another treaty was signed, which relinquished all claim of title under that treaty.

November 27, 1905, the Secretary of State wrote an American resident of the Isle of Pines:

"The treaty now pending before the Senate, if approved by that body, will relinquish all claim of the United States to the Isle of Pines. In my judgment the United States has no substantial claim to the Isle of Pines. The treaty merely accords to Cuba what is hers in accordance with international law and justice.

"At the time of the treaty of peace which ended the war between the United States and Spain, the Isle of Pines was and had been for several centuries a part of Cuba. I have no doubt whatever that it continues to be a part of Cuba and that it is not and never has been territory of the United States. This is the view with which President Roosevelt authorized the pending treaty, and Mr. Hay signed it, and I expect to urge its confirmation."

There are some letters of an Assistant Secretary of War or written by his direction, and other matters referred to, which we do not regard as seriously affecting the conclusion that the Executive has consistently acted on the determination that the United States had no substantial claim to the Isle of Pines under the treaty.

The only significant legislative action is found in the proviso of the act of March 2, 1901, the Army appropriation act (31 Stat. 895, ch. 803), commonly called the Platt amendment (897), which reads:

"Provided further, That in fulfillment of the declaration contained in the joint resolution approved April 20, 1898, entitled 'For the recognition of the independence of the people of Cuba, demanding that the Government of Spain relinquish its authority and government in the island of Cuba and to withdraw its land and naval forces from Cuba and Cuban waters, and directing the President of the United States to use the land and naval forces of the United States to carry these resolutions into effect,' the President is hereby authorized to 'leave the government and control of the island of Cuba to its people' so soon as a government shall have been established in said island under a constitution which, either as a part thereof or in an ordinance appended thereto, shall define the future relations of the United States with Cuba, substantially as follows:"

Then follows eight clauses, of which the sixth is:

"VI. That the Isle of Pines shall be omitted from the proposed constitutional boundaries of Cuba, the title thereto being left to future adjustment by treaty."

It appears that certain American citizens, asserting interests in the Isle of Pines, had contended that it belonged to the United States under the treaty, and the sixth clause of the Platt amendment, while not asserting an absolute claim of title on our part, gave opportunity for an examination of the question of ownership and its settlement through a treaty with Cuba. The Republic of Cuba has been governing the isle since May 20, 1902—the present situation need not be discussed—and has made various improvements in administration at the suggestion of our Government, but Congress has taken no action to the contrary of Cuba's title as superior to ours.

It may be conceded that the action of both the political departments has not been sufficiently definite to furnish a conclusive interpretation of the treaty of peace as an original question, and as yet no agreement has been reached under the Platt amendment. The Isle of Pines continues at least de facto under the jurisdiction of the Government of the Republic of Cuba, and that settles the question before us, because as the United States have never taken possession of the Isle of Pines as having been ceded by the treaty of peace, and as it has been and is being governed by the Republic of Cuba, it has remained "foreign country" within the meaning of the Dingley Act, according to the ruling in *De Lima v. Bidwell*, 182 United States 1, and cases cited; *United States v. Rice*, 4 Wheat. 246. There has been no change of nationality for revenue purposes, but, on the contrary, the Cuban Government has been recognized as rightfully exercising sovereignty over the Isle of Pines as a de facto government until otherwise provided. It must be treated as foreign, for this Government has never taken nor aimed to take that possession in fact and in law which is essential to render it domestic.

Judgment affirmed.

Mr. Justice McKenna concurred in the judgment.

Mr. Justice White and Mr. Justice Holmes concurred specially.

Mr. Justice Moody took no part.

Mr. Justice White, with whom was Mr. Justice Holmes, concurring.

My reasons for agreeing to the conclusion announced by the court are separately stated to prevent all implication of an expression of opinion on my part as to a subject which in my judgment the case does not require and which, as it is given me to see it, may not be made without a plain violation of my duty.

The question which the case raises, by way of a suit to recover duties paid on goods brought from the Isle of Pines is whether that island, by the treaty with Spain became a part of the United States or was simply left or made a part of the Island of Cuba, over which the sovereignty of Spain was relinquished.

I accept the doctrine which the opinion of the court announces, following *Jones v. United States* (137 U. S. 202), that "who is the sovereign de jure or de facto of a territory is not a judicial but a political question, the determination of which by the legislative and executive departments of any government conclusively binds the judges as well as other officers, citizens, and subjects of that government." That the legislative and executive departments have conclusively settled the present status of the Isle of Pines as de facto a part of Cuba and have left open for future determination the de jure claim, if any, of the United States to the island, as the court now declares, is to me beyond possible contention. Thus by the amendment to the act of 1891, which was enacted to determine the de facto position of the island and to furnish a rule for the guidance of the executive authority in dealing in the future with the island, it was expressly provided "that the Isle of Pines shall be omitted from the proposed constitutional boundaries of Cuba, the title thereto being left to future adjustment by treaty."

So, also, when the Island of Cuba was turned over to the Cuban Government by the military authority of the United States, that Gov-

ernment was expressly notified by such authority, under the direction of the President, that whilst the de facto position of the Isle of Pines as a part of Cuba was not disturbed it must be understood that its de jure relation was reserved for future determination by treaty between Cuba and the United States. And this notification and relation was in terms accepted by the President of the Republic of Cuba. If the opinion now announced stopped with these conclusive expressions I should of course have nothing to say. But it does not do so. Although declaring that the de facto position of the Isle of Pines as resulting from legislative and executive action is binding upon courts, and although referring to the conclusive settlement of that de facto status and the reservation by the legislative and executive departments of the determination of the de jure status for future action, the opinion asserts that it is open and proper for the court to express an opinion upon the de jure status; that is, to decide upon the effect of the treaty. In doing so it is declared that all the world knew that the Isle of Pines was an integral part of Cuba, this being but a prelude to an expression of opinion as to the rightful construction of the treaty. To my mind any and all expression of opinion concerning the effect of the treaty and the de jure relation of the Isle of Pines is wholly unnecessary and can not be indulged in without disregarding the very principle upon which the decision is placed; that is, the conclusive effect of executive and legislative action. In other words, to me it seems that the opinion, whilst recognizing the force of executive and legislative action, necessarily disregards it. This follows, because the views which are expressed on the subject of the meaning of the treaty amount substantially to declaring that the past action of the executive and legislative departments of the Government on the subject have been wrong, and that any future attempt by those departments to proceed upon the hypothesis that the de jure status of the island is unsettled will be a violation of the treaty as now unnecessarily interpreted.

Mr. Justice Holmes concurs.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate January 21 (legislative day of January 20), 1925*

##### AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Edgar A. Bancroft to be ambassador extraordinary and plenipotentiary to Japan.

##### UNITED STATES DISTRICT JUDGES

Charlton R. Beattie to be district judge of the eastern district of Louisiana.

Thomas D. Thacher to be district judge, southern district of New York.

##### COLLECTOR OF CUSTOMS

Charles N. Hildreth, jr., to be collector of customs for customs collection district No. 18.

##### INTERNAL REVENUE COLLECTOR

Peter H. Miller to be collector for the district of Florida.

##### POSTMASTERS

###### FLORIDA

Milton E. Clark, Pensacola.

###### ILLINOIS

Paul A. Witte, St. Peter.

###### MISSOURI

Dorsey F. Waggoner, Brownington.

Ray Streeter, Sturgeon.

Roy E. Dusenbery, Van Buren.

###### NEBRASKA

Willis I. Stebbins, Gothenburg.

###### OKLAHOMA

Thomas H. Starnes, Elmer.

###### PENNSYLVANIA

Fred Montgomery, Curtistville.

Paul J. Kessler, Gilberton.

#### HOUSE OF REPRESENTATIVES

WEDNESDAY, January 21, 1925

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Spera Montgomery, D. D., offered the following prayer:

O Thou whose all-searching eye is upon us, hear us for Thy mercy's sake. Continue to teach us that the performance of righteous duty is the upper way that leads to God. Impress us that he who fails wrongs his own happiness and weakens the privileges of his fellow men. Let Thy word of knowledge and Thy word of wisdom weave themselves in all hearts, and